

**8/17/78**

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# WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	James McIntyre to Pres. Carter, 6 pp., re:Defense Appropriations	8/16/78	A
Memo	Kraft & Gammill to Pres. Carter, w/attachments 13 pp., re:Overseas Investment	8/16/78	C

## FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential  
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THE PRESIDENT'S SCHEDULE

Thursday - August 17, 1978

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8:00 Dr. Zbigniew Brzezinski - The Oval Office.

9:13 Mr. Jack Bass, Congressional Candidate,  
(2 min.) 2nd District, S.C. (Mr. Frank Moore).  
The Oval Office.

11:30 State Constituent Briefing/Louisiana.  
(20 min.) (Mr. Tim Kraft) - The State Dining Room.

12:30 Lunch with Mrs. Rosalynn Carter - The Oval Office.  
(60 min.)

4:00 News Conference. (Mr. Jody Powell).  
(30 min.) Room 450, OEOB.

4:45 Vice President Walter F. Mondale, Admiral  
(30 min.) Stansfield Turner, Dr. Zbigniew Brzezinski  
and Mr. Hamilton Jordan - The Oval Office.

PRESIDENT JIMMY CARTER  
PRESS CONFERENCE STATEMENT  
THURSDAY, AUGUST 17, 1978, 4:00 P.M.

AS PRESIDENT OF THE UNITED STATES, MY ULTIMATE RESPONSIBILITY IS TO  
PROTECT OUR NATION'S SECURITY.

AS COMMANDER IN CHIEF OF OUR ARMED FORCES, IT IS MY OBLIGATION TO  
SEE THAT THOSE FORCES ARE ALWAYS OPERATIONALLY READY, FULLY EQUIPPED,  
AND PREPARED FOR ANY CONTINGENCY.

(--OVER--)(BECAUSE I TAKE THOSE OBLIGATIONS.....)

2

BECAUSE I TAKE THOSE OBLIGATIONS SERIOUSLY, I SUBMITTED THIS SPRING  
A DEFENSE BUDGET DESIGNED TO IMPROVE OUR MILITARY PREPAREDNESS -- AND  
CALLING FOR INCREASED SPENDING IN REAL TERMS, ESPECIALLY FOR ENHANCED  
READINESS AND FOR THE URGENT REQUIREMENT OF STRENGTHENING OUR NATO FORCES.

BECAUSE OF THOSE SAME OBLIGATIONS, AND WITH THE CONCURRENCE OF THE  
SECRETARY OF DEFENSE, I HAVE DECIDED TO VETO THE DEFENSE AUTHORIZATION BILL  
THE CONGRESS PASSED LAST WEEK.

THIS IS NOT A QUESTION OF MONEY. THE CONGRESS HAS REDUCED ONLY  
SLIGHTLY THE AMOUNT OF MONEY I RECOMMENDED FOR OUR NATION'S DEFENSE.

(--NEW CARD--)(IT IS A QUESTION OF HOW...)

3

IT IS A QUESTION OF HOW THAT MONEY WILL BE SPENT -- WHETHER IT WILL  
BE CONCENTRATED IN THE AREAS OF MOST VITAL NEED OR DIVERTED TO LESS  
CRUCIAL PROJECTS.

WE MUST HAVE THE STRONGEST POSSIBLE DEFENSE WITHIN THE BUDGET  
LIMITS SET BY CONGRESS.

WE CANNOT AFFORD TO WASTE OUR NATIONAL DEFENSE DOLLARS.

WE NEED BETTER TRAINING, MAINTENANCE AND LOGISTICAL SUPPORT, ...  
MORE RESEARCH AND DEVELOPMENT, ... A MORE FLEXIBLE NAVY -- AND WE NEED  
THESE IMPROVEMENTS NOW, ... NOT 8 OR 10 YEARS IN THE FUTURE.

THE DEFENSE AUTHORIZATION BILL DOES NOT MEET THESE REQUIREMENTS.

(--OVER--)(THERE ARE FOUR ...)



THERE ARE FOUR PARTICULARLY DISTURBING AREAS IN WHICH THIS BILL,  
BY CUTTING INTO THE MUSCLE OF OUR MILITARY REQUESTS, WOULD WEAKEN OUR  
DEFENSES AND ERODE OUR CONTRIBUTION TO NATO:

-- THIS BILL CUTS \$800 MILLION FOR WEAPONS AND EQUIPMENT FOR OUR  
ARMY FORCES -- UNDERMINING OUR COMMITMENT TO NATO AT A TIME WHEN OUR  
ALLIES RECOGNIZE THE URGENT NEED TO IMPROVE THE POWER AND READINESS OF  
OUR FORCES IN EUROPE.

-- THIS BILL CUTS \$200 MILLION FOR AIR FORCE WEAPONS AND EQUIPMENT,  
WHICH WOULD ADD FLEXIBILITY AND STRENGTH TO OUR MILITARY FORCES IN NATO &  
THROUGHOUT THE WORLD.

(--NEW CARD--)(THIS BILL WOULD CAUSE.....)

*\$ 500 million*  
-- THIS BILL WOULD CAUSE A CUT OF HALF A BILLION DOLLARS FROM  
READINESS FUNDS -- THE UNGLAMOROUS BUT NECESSARY EXPENDITURES FOR SHIP  
OVERHAULS, WEAPON REPAIRS, SPARE PARTS, PERSONNEL TRAINING, AND THE  
LOGISTICAL SUPPORT WHICH GUARANTEES THAT WE CAN MOVE OUR FORCES WHERE  
THEY ARE NEEDED.

-- THIS BILL CUTS HEAVILY FROM MILITARY RESEARCH AND DEVELOPMENT FUNDS.  
I HAD REQUESTED A SUBSTANTIAL INCREASE IN THOSE FUNDS, TO SUSTAIN  
OUR POSITION OF TECHNICAL EXCELLENCE IN A WORLD WHERE WEAPONS ARE  
INCREASINGLY DEPENDENT ON TECHNOLOGY.

THE BILL THAT HAS PASSED THE CONGRESS WOULD LEAD TO AN ACTUAL  
DECREASE IN THOSE FUNDS.

(--OVER--)(THE ULTIMATE EFFECT OF THIS.....)

THE ULTIMATE EFFECT OF THIS BILL WOULD ALSO WEAKEN OUR NAVY, BY  
AGGRAVATING THE DANGEROUS TREND AWAY FROM A LARGER NUMBER OF DIFFERENT  
KINDS OF SHIPS -- WHICH CAN MAINTAIN OUR MILITARY PRESENCE ON THE HIGH  
SEAS -- AND TOWARD A DISTURBINGLY SMALL NUMBER OF EXCESSIVELY COSTLY SHIPS.

WHAT THE CONGRESS HAS DONE WITH THE MONEY BEING CUT FROM THESE VITAL  
AREAS IS TO AUTHORIZE A <sup>FIFTH</sup> ~~FOURTH~~ NUCLEAR-POWERED AIRCRAFT CARRIER.

THIS WOULD BE THE MOST EXPENSIVE SHIP EVER BUILT.

ITS PURCHASE PRICE WOULD BE AT LEAST \$2 BILLION, AND THE AIRCRAFT  
IT WOULD CARRY AND THE EXTRA SHIPS THAT WOULD ESCORT AND DEFEND IT WOULD  
COST BILLIONS MORE IN YEARS TO COME.

(--NEW CARD--)(IN ORDER TO USE OUR DOLLARS.....)

IN ORDER TO USE OUR DOLLARS FOR THEIR MAXIMUM EFFECT, WE MUST  
CHOOSE THE ARMOR, ARTILLERY, AIRCRAFT, AND SUPPORT THAT WILL IMMEDIATELY  
BOLSTER OUR STRENGTH, PARTICULARLY IN NATO.

BY DIVERTING FUNDS AWAY FROM MORE IMPORTANT DEFENSE NEEDS IN ORDER  
TO BUILD A VERY EXPENSIVE NUCLEAR AIRCRAFT CARRIER, THIS BILL WOULD  
REDUCE OUR COMMITMENT TO NATO, ... WASTE THE RESOURCES AVAILABLE FOR  
DEFENSE, ... AND WEAKEN OUR NATION'S MILITARY CAPABILITIES IN THE FUTURE.

(--OVER--)(I WILL BE GLAD TO COOPERATE.....)

unclassified copy made  
for Preservation Purposes

I WILL BE GLAD TO COOPERATE WITH CONGRESS IN PASSING A MORE  
RESPONSIBLE BILL AND I URGE THE MEMBERS OF CONGRESS TO FACE THAT DUTY  
AS SOON AS THEY RETURN FROM THEIR RECESS.

THE NATION'S INTERESTS, AND MY OATH OF OFFICE, REQUIRE ME TO  
VETO THIS BILL. & TO SEEK A STRONGER DEFENSE.

# # #

LIURS  
TEN ZANG

6:30 PM

THE WHITE HOUSE

WASHINGTON

MEETING WITH SENATOR AND MRS. WARREN G. MAGNUSON

Thursday, August 17, 1978

6:30 p.m.

The Residence

From: Frank Moore *Fm/od*

I. PURPOSE

To provide you an opportunity to discuss a few key Appropriations Committee matters with the Senator in a low-key social setting.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: The Senator can be a strong ally on the Appropriations Committee. He is trying to adopt a policy of fiscal restraint, but such an attitude runs counter to many of the policies he has espoused over the years. With the proper encouragement, he can be a forceful and effective spokesman on the major issues before his committee.

His staff can be particularly effective allies in undoing excessive spending and encroachment on executive authority perpetrated at the subcommittee level. They will be more willing to act if they see that the Chairman is held in high personal regard by you and is a social, as well as a business friend.

Finally, the dinner is important to Mrs. Magnuson. She has been frequently entertained by previous Presidents. She has a high personal regard for you and Mrs. Carter and would like to get to know you better. Her influence over operations in the Appropriations Committee and the Senator's personal staff is not insubstantial.

- B. Participants: The President, Rosalynn Carter, Senator Magnuson and Jermaine Magnuson.

- C. Press Plan: White House photo only.

IV. TALKING POINTS

- Thank the Senator for his attitude of fiscal restraint and his active role at holding down spending in his Labor-HEW subcommittee and on other bills. Also thank him for the cooperation from his staff in working with the Administration.
- Tell him that you remain concerned with the discretionary increases in major pending pieces of legislation--both authorization and appropriations bills--and will look at these bills very closely when they come to you for signature. Urge Senator Magnuson to strongly support your decision to disapprove any bills.
- Regarding appropriations bills, tell him that you are particularly opposed to the language in several bills which mandate increased hiring of Federal employees where they are not needed. This practice infringes on your prerogative to manage the Federal work force and contributes to unnecessary growth in the size of the government.
- Discuss with Senator Magnuson your serious concern with the Public Works Appropriation bill. In addition, tell him that the Administration sees serious problems with the Agriculture and Interior Appropriations bills, which both contain significant discretionary increases and other problems. OMB will be writing to the conferees on these last two bills. Urge his support in conference.
- Senator Magnuson's bill, the Labor-HEW bill, still contains major budget increases to NIH, health manpower programs, and other areas despite the Chairman's attempts to support lower levels at various stages of mark-up. Tell the Senator that you are relying on him to hang tough with the House conferees to minimize increases to your budget.
- Other areas where the Senator can be of help:
  - Oppose the nuclear carrier at every appropriate opportunity (he has indicated some willingness to help on this before). Discuss with him your final decision on the DOD authorization bill and how it relates to pending action on DOD appropriations (full committee mark-up was scheduled for Wednesday August 16).
  - Try to reduce the ESEA authorization bill which contains excessive funding for impact aid, even above the House bill. Remind him that you share his concern about the undesirability of bill language that mandates future appropriations for certain elementary and secondary education programs.



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

August 15, 1978

MEMORANDUM TO: The President

FROM : Brock Adams  
Secretary of Transportation

SUBJECT : Discussion of Oil Tanker Issues at Your Tuesday  
Luncheon with Senator Magnuson

A large, stylized handwritten signature of Brock Adams is written over the 'FROM' line of the memorandum.

Two administration initiatives on oil tankers are presently before the Congress. These were specified in your Message to Congress on March 17, 1977, a message announcing both domestic and international measures designed to reduce the risks associated with marine transportation of oil. We need the support and assistance of key Members such as Senator Magnuson (who has great influence on maritime legislation) if we are to achieve the success we seek this session. I recommend that you discuss these issues at your luncheon with the Senator on Tuesday, August 15.

What follows are short descriptions of the two issues. Details on each may be found at Attachment 1 and Attachment 2.

Superfund: In your March 17, 1977, Message, you recommended enactment of Comprehensive Oil Pollution Liability and Compensation legislation. An Administration bill was introduced in both Houses. The House of Representatives passed a bill differing in some respects from the Administration bill. The Senate Commerce Committee, then chaired by Senator Magnuson, reported out yet another version. These bills now are before the Senate Public Works Committee which also has before it its own version of a Superfund bill. Senator Randolph is the Public Works Chairman but Senator Muskie is the key member on the Superfund issue.

Under pressure from a number of sources (the Administration, states, industry, etc.), the Committee has scheduled its version of the bill for markup on August 16. We have received indications, however, that Senator Muskie has lost interest in moving the bill this session. An expression of your personal interest in seeing a Superfund bill enacted could break the impasse. Senator Magnuson, who has a strong interest of his own in the matter, could be a very effective ally in getting the bill out of Public Works and onto the floor. I recommend that you express your interest and ask his assistance.

Delaying enactment of a superfund bill is dangerous. The recent Amoco Cadiz disaster on the coast of France pointed up the need to provide a flexible compensation mechanism for those who are harmed. With another winter almost upon us, it seems only prudent to create the mechanism and get it running. Future amendments afford the opportunity to widen its scope and perfect its operation.

Tanker Safety Legislation: Senator Magnuson's bill, S. 682, passed the Senate soon after your March 17, 1977, Message to Congress. This bill would unilaterally impose stringent and detailed construction and equipment standards on foreign tankers entering U.S. ports.

An international conference in February 1978, responding to your proposals, agreed on wide ranging new standards for oil tanker construction and equipment as well as strengthened ship certification and inspection procedures. The international agreements effectively attain the safety and environmental goals that you defined. The House version of S. 682, soon to reach the floor, conforms almost completely to the terms of the international agreements.

The international community, having come so far toward satisfying the U.S. initiatives in so short a time, would respond very negatively if the U.S. now imposes its own standards unilaterally. Senator Magnuson, who has expressed general satisfaction with the international agreements, will be crucial when the two versions of the Tanker Safety bill reach conference committee. I recommend that you solicit his support in bringing the domestic legislation into conformance with the internationally agreed standards and procedures.

Attachments

### Superfund

Your March 17, 1977, Message contained a recommendation to Congress for enactment of a Comprehensive Oil Pollution Liability and Compensation legislation (Superfund). On March 30, 1977, an Administration bill was introduced in Congress which would:

- 1) establish a national legal regime to determine responsibility for damage caused by oil pollution;
- 2) create a national fund, popularly known as Superfund, sustained by a tax on the transport of oil, to fund immediate-response cleanup and to compensate spill victims who for some reason cannot be compensated by the spiller; and
- 3) make the national legal responsibility determination system and fund supersede those of states and localities.

The national legal system would substantially expand the class of pollution victims who would be entitled to compensation for damages and the type of damages for which compensation would be available. To balance this increase in the class of claimants and the types of claims, the legislation also set dollar limitations on liability in most instances. The fund, however, would be available to compensate persons injured by a spill where the spiller could not be identified or had a defense, or the spiller's liability limits had been exceeded.

The Superfund concept is designed to pool risks of a major spill among all owners of oil, thereby providing a mechanism for fairer compensation of more people. It also creates a large fund, supported essentially by an oil user fee, which will be immediately available for cleanup. The major oil companies and shippers generally favor the idea, in order to spread the risk among more people and to avoid the disparate, conflicting, and often overlapping state laws which have recently been enacted. Environmental groups and the states generally support the concept because it allows a larger fund from which victims can be compensated and encourages quick and effective cleanup. (The states have some qualms about the preemption of the state funds, but only five states have funded liability systems as extensive as in the federal bill. In addition, several state environmental officials have recently written Senator Muskie urging his support for a strong bill even if it does preempt some state functions.)

In September 1977, the House passed a bill much like that introduced by the Administration. The Senate Commerce Committee, under the leadership of Senator Magnuson, reported out a similar bill (the degree to which the bill preempts state law is slightly different) also in September 1977. The Senate Commerce Committee bill was then referred

to the Public Works Committee and to its Subcommittee on Environmental Pollution, chaired by Senator Muskie.

Senator Muskie held hearings on oil pollution compensation in April 1978. Just prior to the hearings, the Senator introduced his own bill, S. 2900, which injected two new elements into the debate. First, Senator Muskie's bill would have covered damages from "hazardous substances" as well as from oil. Second, the preemption of state law was even more limited than in the Senate Commerce version. As S. 2900 emerged from the subcommittee, there is no preemption of state laws and funds at all, thereby raising the spectre of overlapping and conflicting programs. In addition, damages from hazardous substances are covered under the liability system and the fund, but no tax would be collected on such substances until the Administration had proposed legislation on this subject and the legislation had been enacted. In addition, the liability limits for hazardous substance spillers are the same as for oil spillers, a system likely to result in overuse of the fund.

About two weeks ago, Senator Muskie stated to several people that he did not intend to move the Superfund bills at all. Since that time, local New England media, state officials and members of Congress including, we believe, Senator Magnuson, have urged him to reconsider his position. The Public Works Committee has now scheduled a markup of Senator Muskie's bill (not the Senate Commerce bill) for Wednesday, August 16, with a second session, if necessary, set for August 23. We will send a letter to all committee members urging that the bill be reported.

Senator Magnuson has been a very strong supporter of Superfund. Thanking him for his help and emphasizing to him the Administration's continued strong support for the idea, and, ultimately, for a law similar to the bill his committee reported, would be most helpful in moving toward having an Oil Pollution Compensation and Liability Act in place at the end of this session.



### Tanker Safety Bill

In your March 17 Message, you directed that diplomatic efforts be made to obtain international agreement on (1) higher construction and equipment standards for oil tankers, (2) a more effective system of ship certification and inspection, and (3) improvement of crew qualification and training standards.

Concentrated diplomatic efforts began immediately. In February and June-July of this year, two international conferences agreed on three new treaties that contain the higher standards urged for international adoption by the United States.

Your March 17 Message specified construction and equipment standards for the U.S. to champion. The Message also allowed acceptance of "technological improvements and alternatives" to the specified standards, provided that the alternatives afforded an equivalent degree of protection. The February conference accepted the U.S. proposals or their equivalents except for smaller existing tankers (20,000 - 40,000 deadweight tons) where the U.S. proposals were accepted only in part. The U.S. delegation agreed to this to preserve the comprehensive "package" of negotiated standards. We feel that the greatly strengthened international inspection requirements, coupled with the aggressive boarding program conducted by the Coast Guard, provides ample protection with regard to these smaller existing tankers.

Soon after your March 17, 1977, Message, Senator Magnuson's Tanker Safety Bill, S. 682, was passed by the Senate. This bill contained many provisions that, if enacted into law, would unilaterally impose construction and equipment standards upon foreign ships entering U.S. ports. While the bill did cause concern among our maritime trading partners because of its "unilateral action" features, it did serve a useful purpose by strengthening the U.S. hands in negotiating international solutions. No doubt, Senator Magnuson had this in mind.

Since the results of the February conference were announced, Senator Magnuson has publicly and privately expressed his satisfaction with the outcome. While he made no promises, he implied that he would not insist on his bill's provisions, but would consider conforming its provisions to the international agreement.

The House version of the Tanker Safety Bill (H.R. 13311), which should go to the floor very soon, conforms closely to the international agreement, diverging in only one important respect.

The two versions of the bill should reach Conference committee this session. If the final bill is made to conform closely to the international agreement, the U.S. will have achieved a "global solution"

to a "global problem" without acting unilaterally.

I recommend that you commend Senator Magnuson on his leadership in sponsoring oil tanker legislation and that you seek his good offices to preserve the excellent results from the international conference.

THE WHITE HOUSE  
WASHINGTON

My re  
Defense Veto  
8-17-78

C-in-C. greatest responsibility  
Concern re SU (trends)

Ford & I - increase (red \$)

Readiness +\$1B vs - \$500m

NATO

Trends in Navy

R & D +400m -500 +300 <sup>Surface</sup> Efforts

Procurement - Army +\$1B1 vs - \$800m <sup>Ship</sup>

Limit on spending Concl  $\$125$   
Auth (35) 37  
Other (40) 88

CUN - \$2B + \$24B(?)

8/17/78 - st. conf. w/ S

La. Long - Long, Breaux,  
Boyers - Gen Fitzmorris

1st stop - 1/21/75(?)

No Rally. Primary/Gen Elec

Georg - Econ/Jobs - Soc Sec -  
Housing - Agric. - Environ.  
ED - CIA - Crime

Deficit \$60B ↓ 28B <sup>sup</sup>  
Defence - PEACE

Canal - Turkey - M East.

Urban

SALT - Pub Serv - Energy

Partnership

THE WHITE HOUSE  
WASHINGTON

August 17, 1978

BOB LINDER

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Bob Lipshutz  
Jim Gammill

RE: David Walters, Personal  
Representative to the Vatican

THE WHITE HOUSE  
WASHINGTON

C

August 16, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: BOB LIPSHUTZ *BL*  
RE: David Walters, your Personal Representative  
to the Vatican

Attached is a letter dated August 16, 1978, from Dave Walters to you, relative to his resignation as your personal representative.

Although I might have written the letter a little differently myself, it seems to be satisfactory from your perspective.

I am also attaching a suggested draft of a letter which you may wish to sign before you leave on your trip.

Attachments

THE WHITE HOUSE

WASHINGTON

August 16, 1978

Dear Mr. President,

On July 6, 1977, you greatly honored me and my family by appointing me as your Personal Representative to His Holiness Pope Paul VI. This singular distinction of being the first Catholic so privileged is a reflection of your great sensitivity and moral courage. As you know, Pope Paul was very dear to my family and personally attended to our emotional and spiritual needs at a time of great stress. His death leaves us extremely grieved.

As is the custom the Cardinal Secretary of State, on the death of Pope Paul, has assumed the responsibility to carry his reign on until the selection and installation of the new Pope by the College of Cardinals. (The Conclave will begin on the 25th of August and the Coronation is projected to be September the 9th or 10th.) The present Substitute Secretary of State Archbishop Caprio will continue in the interim to administer the foreign affairs of the Secretary of State of the Holy See. My role as your Personal Representative also concludes with the selection and Coronation of the new Pope. Many matters of importance take place during that time. I stand ready during that period to serve you as your Personal Representative as you see fit and the occasion requires. It is, however, not my inclination to be considered by you as your Personal Representative to the succeeding Pope. Although the opportunity to have served you in that role has been a high point in my life there are many things yet undone that Betty and I wish to do.

I wish to devote my time to selected charitable and civic affairs. As the Chairman of the Board of Trustees of Variety Childrens Hospital I have been entrusted with the task of financing and constructing a modern multi-million dollar children's hospital in Dade County, a project dear to my heart.

My successor as your Personal Representative, as I have, will find it a truly rewarding experience. Please be assured of my continuing loyalty and respect to you and your family. I stand prepared at all times to serve you and our Country in any task or capacity in which you wish to use me.

With great respect,

A handwritten signature in dark ink, appearing to read "David M. Walters", with a stylized, sweeping flourish at the end.

David M. Walters  
Personal Representative of the  
President to Pope Paul VI

P.S. For your information and review I attach a short informal resume of the accomplishments 1977-78 of the Mission until the death of the Pope. Subsequent to the Coronation I will submit to you a full and complete report.

Office of the Personal Envoy  
of the President of the United States  
to the Vatican

THE WHITE HOUSE  
WASHINGTON

To David Walters

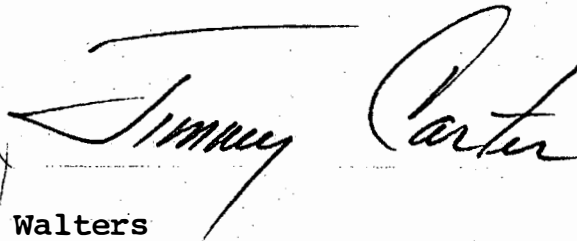
I received your letter of August 16, 1978.

On behalf of myself and the American people I wish to express my appreciation for the public service which you have rendered in serving as my Personal Representative to the late Pope Paul VI.

I understand your desire to return to private life and I wish you and Betty the very best of everything in the future.

Rosalynn joins me in sending our warmest personal regards.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned above the recipient's address.

The Honorable David M. Walters  
100 Biscayne Blvd.  
Suite 1001  
Miami, Florida 33132



①

**SOME ACCOMPLISHMENTS OF PRESIDENTIAL ENVOY'S MISSION  
(Since July, 1977)**

**I. Obtained Vatican Support for U.S. Government Objectives**

- A. Countered Soviet Propaganda and other pressures vs. N-Bomb and prevented Papal denunciation of the N-Bomb
- B. Obtained helpful Vatican Position on President's decision to return the Crown of St. Stephen to Hungary, thereby greatly reducing U.S. domestic opposition to the decision
- C. Assured, through timely representations, Pope's early public support of Egyptian President Sadat's Jerusalem Peace initiative
- D. Obtained a more forthright Vatican position at the Belgrade Conference on the Implementation of the Helsinki Accords
- E. Enlisted Vatican world-wide activities in support of our efforts to resettle Southeast Asian refugees
- F. Obtained Vatican support for international control of narcotics

**II. Exchange of Views with Vatican Officials**

- A. Lebanon
- B. Helsinki Final Act Implementation
- C. Spain
- D. Disarmament
- E. Italian Political-Crisis
- F. East Europe

**III. Political Reporting**

- A. Vatican Ostpolitik
- B. Vatican activities in human rights field
- C. Vatican experience with Helsinki Accords
- D. Vatican views on disarmament, Eurocommunism, etc.
- E. Vatican negotiations for the modernization of the Italian and Spanish Concordats

### III. Political Reporting (continued)

- G. Vatican views and activities vis-a-vis Italian Politics
- H. Vatican and Catholic Church position on Abortion issue
- I. JERUSALEM PROPOSAL: A Special Study (Secretary Vance praised "initiative" and "fresh ideas")

### IV. High-Ranking Visitors

- A. Cabinet Secretary Califano
- B. Cabinet Secretary Bergland
- C. Ambassador-at-Large Goldberg
- D. Ex-Secretary of State Kissinger
- E. General Evans
- F. Senator Pell
- G. Congressman Beard
- H. Ambassador Barnes (Roumania)
- I. Ambassador Byrnes (Czechoslovakia)
- J. Ambassador Bennett (USNATO)

### V. Representation

- A. Bishop Neumann's Canonization (June 27)
- B. Synod of Bishops (October 16)
- C. B'nai B'rith Interreligious Seminar (May 8-9)
- D. Attended some 40 National Days, and 40 other functions
- E. Gave some 40 functions ourselves

### VI. Visits of the Presidential Envoy

- A. June, 1977--Ambassador Lodge (10 days)
- B. October, 1977--Envoy Walters (3 weeks)
- C. May, 1978--Envoy Walters (3 weeks)
- D. August, 1978 -- Envoy Walters

# To Welcome US Envoy

By John Muthig  
VATICAN CITY (NC) —  
Former Democratic fund-raiser and Catholic philanthropist David Walters presented his credentials to Pope Paul VI Oct. 6 as President Jimmy Carter's new special envoy to the Pontiff.

Walters and his wife, Betty, of Miami spent an extraordinarily long 70 minutes in private conversation with Pope Paul, who skipped attending a session of the Synod of Bishops to meet with them and, earlier, with Panamanian chief of state General Omar Torrijos.

Walters presented an English-language letter of accreditation from Carter to the Pope.

In an interview with NC News, Walters said that during his "getting-to-know-you" official contacts with Pope Paul, papal secretary of state Cardinal Jean Villot, papal "foreign minister" Archbishop Agostino Casaroli and undersecretary Archbishop Giuseppe Caprio "nothing of substance" had yet been raised.

"My job is to be a conduit or channel for the exchange of views, recommendations and ideas between President Carter and the Pope," said Walters.

He said his office called for an "unfettered relation-

ship on a highly personal plane" with Vatican officials.

"The nature of official communications will be principally in the area of the day's moral issues with an emphasis on human rights, without raising strictly political issues," said the envoy.

Walters rejected the idea that the U.S. should open up full diplomatic ties with the Vatican now, but he indicated that he intended to be a more active presidential envoy than had his predecessor, Henry Cabot Lodge.

Walters said he plans to spend almost three full months (October, mid-January to mid-February and April) in residence in Rome. Nixon appointee Lodge limited his Rome visits to about two annually.

He said that under present circumstances the office of special envoy is "more efficient and unhampered by protocol and red tape" than that of full ambassador to the Vatican.

Relations between the Holy See and the U.S. have been excellent in recent years.

Vatican sources report that the Apostolic Delegate in the U.S., Belgian Archbishop Jean Jadot, often has greater access to the President and key administration officials than

do ambassadors. (As apostolic delegate, Archbishop Jadot does not have ambassadorial status in Washington).

Walters described himself as a "yellow-dog Democrat" ("Even if the Demos ran a yellow dog I'd vote for it"). He said that he served as fund-raiser for the presidential campaigns of two Kennedys, Lyndon Johnson, Hubert Humphrey and Edmund Muskie, as well as Carter, whom he became associated with before Carter won the Democratic nomination.

Walters is a master Knight of Malta, a member of Serra International (the vocation club), and has directed the Miami Catholic Charities appeal.

He and his wife summer near Dublin.

The couple, married for 38 years and "inseparable," according to Walters, first met the Pope when their 6-year-old granddaughter died of leukemia seven years ago. Several days after, they received a cable from the Pope to come over for a private visit.

He described the Pope as "vigorous, strong, alert and less frail" than seven years ago. "I don't see anything in the Pope but strength of mind, of character and of body, considering he's a man of 80," said Walters.

He said he is trying to convince President Carter to visit Pope Paul at the Vatican next year.

"President Carter and his way of life is one, with which I am sure the Vatican will feel comfortable," said Walters.

# Vatican

By Robert A. Graham, S.J.

## Does the U.S. need a representative at the Vatican?

PRESIDENT Jimmy Carter's new "personal envoy" to Pope Paul VI is Miami, Fla., lawyer David Walters, a Catholic active in many church-related endeavors.

He succeeds Henry Cabot Lodge, a Republican who served Presidents Richard Nixon and Gerald Ford in this capacity and remained at President Carter's disposition until a successor could be appointed. Lodge carried on his mission with laudable discretion, avoiding publicity like the plague, for which he earned the Vatican's gratitude. He was not permanently located in Rome but came two or three times a year to the Eternal City, or whenever business of particular urgency brought him. He maintained an office in Rome where a young foreign-service officer, A. Peter Sarros, carried on continuing contact with Vatican officials.

It is too much to expect that Walters' first visit to the Vatican will go unpublicized. The Carter appointment is a renewed witness to the importance that relations with the Holy See can assume, if in a modest way, for the policies and goals of the United States government.

Walters is a Catholic who is highly regarded by leading U.S. churchmen for his various laudable works, such as with the Serra Club. This suggests that the "Vatican mission" of U.S. presidents is entering into a kind of normalcy. President Carter did not have to placate Baptist ire by naming some emissary beyond all suspicion. Who better than Carter could calm the apprehensions of the Southern Baptists or short-circuit their protests?

In general American Catholics have not wished to take much initiative whenever the question of diplomatic relations with the Holy See is raised. But at the same time, if these relations are in fact in the interest of the American people, they should not be blocked by anti-Catholic prejudice and sheer bigotry. While he is a member of the Catholic Church, it should be assumed

Walters will do his duty as a patriotic American at all times. No Catholic in the U.S., and no one in the Vatican, will presume that he will do other than what is expected of him: to expound and defend the interests of his country—just as any other governmental representative at the Vatican.

Perhaps Carter's example will make some impression in a wider international circle where ancient religious prejudices still are traceable. From the beginning for instance, Great Britain determined the policy of accrediting to the Holy See only a non-Catholic as minister or head-of-mission. The secretary of the legation, by the same practice, is always a Catholic. And why does Britain maintain only a ministerial-rank mission instead of ambassadorial, when there are few ministers left in this world of diplomatic inflation? This is a matter British Catholics could study if they are in search of evidence for the new ecumenical feeling in Britain.

The Federal Republic of Germany's policy, calculated to soothe confessional sensibilities, prescribes that the posts should be alternated. With the departure of a Protestant ambassador, a Catholic succeeds. Is this really necessary today after all the talk of interconfessional harmony? Is it not rather an outmoded servitude to ancient religious hostilities?

What will Walters do at the Vatican during his term of service? It was speculated immediately after the appointment that Walters would push the president's "human rights" program. That is a fair guess, but such missions as this have a way of developing their own dynamism. It remains true that the pontificate of Paul VI has laid heavy stress on the cause of justice and peace around the world. The Holy See, as a participant in the Helsinki conference where an ample program of human rights was elaborated, and signed by the Soviet Union, emphasized the importance of respect for these cultural values as the foundation of peace and human welfare.

We recommend to any interested person a recent publication whose merit is that it dramatizes the notable changes that have enveloped Vatican diplomacy over the past 20 years, chiefly during the pontificate of Paul VI. The author of this study is the present papal nuncio to Belgium, Archbishop Igino Cardinal. His study is entitled "The

Holy See and the International Order," published in England by Colin Smythe, Gerrards Cross, 1976. It is a thick book, full of appropriate documentation and of extreme usefulness for working diplomats. But it also is of value to the general student—clerical or lay, theologian or lawyer, historian or journalist—who is looking for an authoritative description of the present state of a centuries-old church institution that some observers choose to regard as anachronistic.

Of particular interest is its treatment of the ever-expanding range of this "outmoded" diplomacy. From 1963 to 1976, 30 governments, mostly from the newly created developing nations, have initiated diplomatic relations with the Holy See. The anticlerical clichés of old Europe are far from their minds. But the work a nuncio does has turned increasingly to general problems in the category of "justice and peace." No longer is a Vatican envoy concerned only with church-state questions or relations with the local clergy. The nuncio, like Archbishop Cardinale himself, often is as well the papal delegate to an international organization and, very often, to international conferences on a wide variety of problems of no explicit relation to the strictly religious mission of the Holy See. Archbishop Cardinale is the Holy See's delegate to the European Economic Community. Here the pontiff, through the Brooklyn accent of his nuncio (he was raised in Crown Heights as a boy before returning with his family to Italy), is able to make known the thoughts of the Holy See upon the basic human questions that regularly appear on the agenda of world agencies. The nuncio's ecumenical relations are part of his official duties since the papal reform of Vatican diplomacy issued by the papal brief of June 24, 1969.

The Vatican Council Fathers had suggested that the pope might define a little more precisely just where the nuncio's authority ends and where that of the local bishop begins, or vice versa. The Vatican insists that the nuncio is no substitute for the local bishop, but at the same time it allows the nuncio to imitate the pope's own ecumenical gestures by having his own relations with the non-Catholic churches of the region.

A former associate editor of "America," Father Graham is working in Rome on a compilation of papal history during World War II and is author of the book "Vatican Diplomacy."

# The Miami Herald

Sunday, August 13, 1978

Florida's Complete Newspaper  
A Latin American Edition Is Published Daily

334 Pages  
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## Paul Buried With Love, Simplicity

Picking the Pope.....IE

By WILLIAM MONTALBANO  
Herald Senior Correspondent

VATICAN CITY — *Eternal rest grant unto him, O Lord, and may perpetual light shine upon him.*

Thus, in simplicity, splendor and the promise of resurrection, his church buried a man of peace called Paul.

Precisely at 6 p.m. in the shank of a glorious summer Saturday afternoon, the great bronze doors of St. Peter's Basilica opened one last time for Pope Paul VI. He came through them in a varnished coffin of cypress, slight burden for 12 shuffling pallbearers. Behind them in solemn scarlet procession marched five score cardinals.

Later this month one of them — no one knows which, not even he — will be elected successor to Paul and to Peter the Fisherman: Vicar of Jesus Christ, Supreme Pontiff of the Universal Church, Patriarch of the West, Bishop of Rome and Servant of the Servants of God, leader of the world's 700 million Catholics.

RAMROD STRAIGHT, resplendently correct in his mourning dress, the Cross of Malta at his throat, David Walters cast his eyes on the lines of Cardinals. What can be going through their minds, he wondered? They are elderly men with an awesome task. To choose a pope their heads must be swimming with the awful responsibility. Walters concluded.

It is well that Paul's farewell is being held out of doors in St. Peter's Square, thought Ambrose Di Paoli. Paul loved the square and he used it for ceremonies whenever he could. As the shadows lengthened around Michelangelo's church and stretched across Bernini's giant cobblestone piazza, silence fell over the 100,000 mourners who had come to pay their last respects to Paul.

In the pews around him men who had been talking quietly in a dozen tongues rose in purple unison to salute their pope. Rene Gracida was taken by the universality of his church: disparate men of every color and every nation with the

same single mission to spread the word of God.

★ ★ ★

*Father Eternal Shepherd  
hear the prayers of your people  
for your servant Pope Paul VI  
who governed your church with  
love.*

*Through your mercy bring him  
with the  
flock entrusted to his care  
to the reward you have promised  
your  
faithful servants  
chanted Carolo Cardinal Confaloni  
nieri in his opening prayer.*

★ ★ ★

Giovanni Battista Montini had worn the papal tiara for 15 years of difficult change. Shy, idealistic, sen-

Turn to Page 30A Col. 1

FROM PAGE 1A

sitive, intellectual, he had inherited revolution from Pope John XXIII and had wrestled unceasingly with it.

Paul authorized more changes than any pope in four centuries, discomforting church traditionalists. To carry the church's ecumenism, Paul traveled farther, wider and more forcefully than any one of his 261 predecessors.

But he vetoed other changes, hewing firmly to theological conservatism on such issues as birth control, divorce and priestly celibacy, thereby disappointing progressive forces in the church.

RENE H. GRACIDA, then an assistant to Miami's Archbishop Coleman Carroll, knelt in St. Peter's the day Paul was crowned June 29, 1963. How the church has changed since then, thought Gracida Saturday.

He had seen the change first hand, as a priest in Dade and Broward parishes for more than a decade and now as bishop of Pensacola-Tallahassee.

Even the funeral liturgy has changed. The emphasis has shifted from grief and atonement to focus on the joy of resurrection. Around Gracida Saturday the eternal mystery of the mass became less a lament of death than a celebration of hope.

★ ★ ★

*Then I saw a new heaven and a  
new earth; the first  
heaven and the first earth had  
disappeared now, and  
there no longer was any sea. I  
saw the Holy City and  
the new Jerusalem, coming down  
from God out of heaven,  
as beautiful as a bride all dressed  
for her husband...  
a seminarian read from the apoc-  
alypse of St. John.*

★ ★ ★

DAVID M. WALTERS stared fixedly at the plain wooden coffin. Only a velvet carrier and an oriental rug separated it from the cold white marble steps of the church that is often described as the world's most majestic building. To David Walters the plain coffin spoke eloquently of a pope he loved deeply.

Walters and his wife Betty had first met Paul in 1970 in a moment of great personal anguish for them. The meeting was transcendental for the Walters. Now, eight years later, Walters is no longer a Miami attorney. He and Betty sat Saturday six rows behind Rosalynn Carter, in the pew with Edward Kennedy, station befitting Walters' rank as personal envoy of the President of the United States to the Vatican.

★ ★ ★

*Yahweh is my shepherd,  
I lack nothing.  
In meadows of green grass he lets  
me lie.  
To the waters of repose he leads  
me.  
There he revives my soul.  
He guides me by paths of virtue  
for the sake of his name.  
Though I pass through a gloomy  
valley,  
I fear no harm.*

MSGR. AMBROSE Di Paoli listened to the familiar 22nd Psalm and thought of death. He is from North Miami, a diplomat in Vatican service stationed in Rome the past five years.

To Di Paoli and his colleagues in the Vatican, the pope's unexpected death had come as a thunderbolt.

A week ago he was pope. The next day he died, and now, six days later, the church was burying Paul while the world watched. You never know about death, never know when it will come, Di Paoli mused.

★ ★ ★

"Do you love me?" a deacon read from the Gospel of St. John, recounting a dialogue between Jesus and Simon Peter, son of John, the first pope.

"Lord, you know everything. You know I love you," Jesus said to him: "Feed my sheep."

*I tell you most solemnly,  
when you were young  
you put on your own belt  
and walked where you liked;  
but when you grow old  
you will stretch out your hands  
and somebody else will put a belt  
around you  
and take you where you would  
rather not go.*

"In these words He indicated the kind of death by which Peter would give glory to God. After this he said: 'Follow me.'"

★ ★ ★

To a layman, the service might have seemed elaborate. Rene Gracida saw it as pure in its simplicity. Except for the presence of the great crowd and of the princes of the church, it might have been the funeral service for any Catholic.

★ ★ ★

"WE HAVE JUST now listened to a word that is the hidden word for all that Paul did. The universal reason for everything, the words of Jesus to Peter: 'Follow me,'" said Cardinal Confalonieri in his homily.

"Paul VI did not hesitate for an instant in undertaking the huge task entrusted to him..."

"A great soul of keen intelligence, a heart filled with goodness which opened to all the spiritual needs of his children, tender with young children, smiling with the young in who he placed such fervent trust, a voice speaking out in defense of truth and justice, condemning violence in every form, upholding the rights of peace."

★ ★ ★

SHANNON JOY SMITH, died of leukemia in Miami on Jan. 2, 1970. She was six years old and she had been sick for eight days. Why? Why? asked the grieving grandparents.

Hoping to ease their pain, a friend arranged a papal audience for David and Betty Walters. It was supposed to last for five minutes. When they arrived the Walters dis-

covered that Pope Paul knew of their loss and shared their sorrow.

For more than half an hour he comforted them, ministered to them with patience and love. The visit changed their lives.

Saturday David and Betty Walters received the Eucharist and knelt in silent reflection as 150 priests distributed Communion to the multitude in St. Peter's Square.

★ ★ ★

*Lord God at your Eucharist that  
you have  
allowed us a foretaste of the eter-  
nal banquet,  
grant to your servant, Paul our  
pope, the joy of  
entering into the full possession  
of that truth  
in which he constantly strength-  
ened your people  
during his life.*

★ ★ ★

When David Walters left Miami to become envoy to the Vatican, he asked Jimmy Carter if the President had any personal message for the pope.

"Yes," said Carter. "Ask him to pray for me."

When Walters presented his credentials last fall, he relayed the President's request. "Tell him I already have been doing that," the pope responded.

★ ★ ★

WITHIN RENE GRACIDA emotion swelled that he barely could contain. As the pallbearers lifted Paul's coffin to return inside the basilica, the mourning throng began to applaud.

It would be hard to explain to Americans, Gracida thought, but this is the ultimate tribute, the most touching of them all: a spontaneous, affectionate farewell to their pope by the people of Rome.

Ambrose Di Paoli smiled inwardly. The Romans are saluting their bishop in death as they have done so many other times in life in this plaza. What a unique and extraordinary gesture, thought David Walters.

★ ★ ★

"I WOULD LIKE to be buried in the bare earth with a humble mark indicating the place and inviting Christian piety. No monument for me," wrote Pope Paul in his will. In the hallowed earth of the dark low-roofed crypts of St. Peter's, under the high altar where he had so often said mass, workmen dug a tomb for Pope Paul.

As darkness fell over the Vatican Saturday, Paul's cypress casket was fitted into one of lead and one of oak for a burial service attended by only members of the Montini family and a few prelates.

Now the pilgrim pope rests in the bare earth of the Vatican under a plain white marble marker that duplicates his signature in Latin in church documents:

"Paulus P.P. VI."

THE WHITE HOUSE  
WASHINGTON

TO RICK HUTCHESON

Note action by Mrs. Carter

M. MacBean

8/17

A handwritten signature, possibly 'Fl', is written in dark ink. Below the signature is a long, sweeping horizontal line that extends towards the right side of the page.

THE WHITE HOUSE  
WASHINGTON

August 16, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE KIRSCHENBAUM

*BK*

We have learned that Katie Beardsley and her husband, Dan, were shot and seriously wounded by an intruder this morning. Katie is Special Counsel to Harrison Wellford and PRP, and was an original member of Jack Watson's transition team. She is a native of Atlanta. Her husband, Dan, also from Atlanta, works for ACTION. Katie has undergone intensive surgery and the prognosis looks good. Dan's injury is less serious. Perhaps you might want to call Katie at the Washington Hospital Center later today.

*called  
8-16-78  
Dan injured in chest. Will be  
all right. Katie shot in both  
legs, in back & through  
belly -  
do all right now, but  
real danger of  
peritonitis.*



X  
August 17, 1978

DRAFT PRESS CONFERENCE STATEMENT

Susan  
Corda  
J

As President of the United States, my ultimate responsibility is to protect our nation's security.

As Commander in Chief of our armed forces, it is my obligation to see that those forces are always operationally ready, fully equipped, and prepared for any contingency.

Because I take those obligations seriously, I submitted this Spring a defense budget designed to improve our military preparedness -- and calling for increased spending in real terms, especially for <sup>enhanced readiness and for</sup> the urgent requirement of <sup>strengthening</sup> ~~upgrading~~ our NATO forces.

~~It is~~ <sup>and</sup> Because of those same obligations, ~~that~~ with the concurrence of the Secretary of Defense, I have decided to veto the Defense Authorization Bill the Congress passed last week.

This is not a question of money. ~~I agree with the~~  
~~has only reduced slightly the~~  
~~is in agreement with me~~  
Congress <sup>recommended for</sup> about the amount of money we must invest in our  
nation's defense.

It is a question of how that money will be spent --  
whether it will be concentrated in the areas <sup>of</sup> most vitality  
~~in need of strengthening~~ or diverted to less crucial  
projects.

We must have the strongest possible defense within  
the budget limits set by Congress. We cannot afford to  
waste our national defense dollars. We need better <sup>of maintenance, and</sup> logistical  
support, more research and development, a more flexible  
Navy -- and we need these improvements now, not 8 or 10 years  
in the future.

The Defense Authorization Bill does not  
meet these requirements.

There are four particularly disturbing areas in

which ~~the present~~ <sup>this</sup> bill, by cutting into the muscle of our military requests, would weaken our defenses and erode our contribution to NATO:

-- This bill cuts \$800 million for weapons and equipment for our Army forces --  
undermining our commitment to NATO at a time when our allies recognize the urgent need to improve the power and readiness of our ~~NATO~~ <sup>military</sup> forces in Europe.

-- This bill cuts \$200 million for Air Force weapons and equipment, which would add flexibility and strength to our <sup>military</sup> forces in NATO ~~and elsewhere~~ ~~where~~ throughout the world.

-- This bill/ would cause a cut of half a billion dollars from readiness funds -- the unglamorous but necessary expenditures for ship overhauls, weapon repairs, spare parts,

personnel training, and the logistical support which guarantees that we can move our forces where they are needed.

-- This bill cuts heavily from military research and development funds. I had requested <sup>a substantial</sup> ~~an~~ increase in those funds, to sustain our position of technical excellence in a world where weapons are increasingly dependent on technology. The bill that has passed the Congress would lead to an actually decrease in those funds.

<sup>ultimate</sup>  
The effect of this  
~~This defense bill also~~

would also

weakens our Navy, by aggravating the dangerous trend away from a <sup>larger</sup> ~~large~~ number of <sup>different kinds of ships</sup> ~~diverse vessels~~ -- which can maintain our military presence on the high seas -- and toward a disturbingly small number of excessively costly ships.

What the Congress has done with the money <sup>being</sup> cut from  
these vital areas is to authorize a <sup>fourth</sup> nuclear-powered air-  
craft carrier. This would be the most expensive ship ever  
built.

Its purchase price would  
be at least \$2 billion, and the aircraft it would carry  
and the extra ships that would escort and defend it would  
cost billions more, *in years to come.*

~~[Two Presidents before me, both of them Republicans,  
have opposed the nuclear aircraft carrier, because they  
knew there was no military function that justified its  
tremendous cost.] If there were no limit on our military~~

~~spending, we might be able to afford this ship. But Because~~

*In order to*  
~~we must~~ use our dollars for their maximum effect, we must  
choose the armor, artillery, aircraft, and support that  
will immediately bolster our strength in NATO, *particularly* over this  
~~extravagant project.~~

*Hamilton +  
Toby  
recommended  
cut -  
Nester  
says  
NKA  
opposed  
the  
nuclear  
carrier  
but  
opposed  
this  
one.*

By diverting funds to build a nuclear aircraft carrier, <sup>away from more important defense needs in order</sup>  
this bill <sup>very expensive</sup>  
<sup>reduce our commitment to NATO, The</sup>  
would ~~weaken the power of NATO, waste our scarce resources,~~  
<sup>available for defense, military capabilities for in the future</sup>  
and ~~undermine~~ <sup>weaken</sup> our nation's defense. I will be glad to

cooperate with Congress in passing a more responsible

<sup>urge The members of Congress to sustain my action</sup>  
bill and I ~~call on them~~ to face that duty as soon as

they return from their recess. The nation's interests, and

my oath of office, require me to veto this bill.

# # #

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

August 17, 1978

MEMORANDUM FOR FRANK MOORE

FROM: BRUCE KIRSCHENBAUM

SUBJECT: Representative Charles Rangel

I was unable to find anyone at DoT who knew of a transportation project of interest to Rangel.

As to the planning grant for the Third World Trade Center, he is seeking such funds in the range of \$150,000 from OMBE. While the grant seems doubtful from OMBE, it could certainly be obtained elsewhere if necessary. However, let me briefly explain what Charlie really wants: He has been upset for many months about being unable to obtain a "White House chaired" project for Harlem (much like the South Bronx effort). He has gone from project to project looking for the right vehicle to interest us enough to give him such public attention.

Now, he seems to have settled finally on the proposed Third World Trade Center for Harlem (combined with a hotel/convention center). It is not funding as much as a visible White House involvement in this effort that he wants. Frankly, the project might be worthwhile, but the community based developer is not capable of putting it together. There is another community organization which could probably do this very well.

Recommendation

If the President wants a visible White House involvement for Rangle on this project, we could do it providing Rangle, not us, switch the developer. I can talk to Charlie about this if you decide to move forward on it.

THE WHITE HOUSE

WASHINGTON

August 17, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JERRY RAFSHOON 

I want to suggest that you wear your gray pin-strip suit for today's press conference with the yellow tie with gray dots -- it's one the best you have!

Mr. President, I hope you realize that this is probably the most substantive memo that you'll ever receive from me.



The first question today will be asked by  
Jim Gerstenzang (Gur'-sten-zang) of the Associated Press.

He will be followed by Helen Thomas of UPI.

Helen Thomas will end the news conference.

THE WHITE HOUSE  
WASHINGTON

August 17, 1978

9

MR. PRESIDENT:

Richard Valeriani with NBC News is working on a weekend news show, to be aired on Saturday evening, on how our foreign policy is made, stressing the team aspects and interaction between the President, the Vice President, Secretary Vance, Dr. Brzezinski, and Harold Brown.

Valeriani will be interviewing briefly (one minute) Secretary Vance and Dr. Brzezinski. He was scheduled to shoot film of Zbig, Harold Brown and Secretary Vance at their regular luncheon on Thursday.

We would like for him to film the opening of the Foreign Policy Breakfast tomorrow morning. This would be for one minute with no sound. The crew will be in the Cabinet Room when you assemble at 7:30 and there should be minimum confusion.

JERRY RAFSHOON

P

THE WHITE HOUSE  
WASHINGTON

8/17/78

Mr. President:

Do you plan any special trips  
or events in Plains that I can  
start planning for? softball,  
birthday celebrations, etc.  
*fishing trips*

Phil

*May do all 3 -  
no plans needed*

*J*

THE WHITE HOUSE  
WASHINGTON

August 17, 1978

TIM KRAFT  
JIM GAMMILL

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

RE: The Council to the  
Administrative Conference  
of the United States

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION  
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
/	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
/	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

THE WHITE HOUSE  
WASHINGTON

August 8, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

TIM KRAFT *TK*  
JIM GAMMILL *Jim G*

SUBJECT:

The Council to the Administrative  
Conference of the United States

The Administrative Conference of the United States is a permanent independent federal agency established by Congress in 1964. Its purpose is to identify the cause of inefficiency, delay and unfairness in administrative proceedings affecting private rights and to recommend improvements to the President, the agencies, the Congress, and the courts.

The Council is composed of a Chairman and ten members who are appointed by you for three-year terms. They act as a Board of Directors of the Administrative Conference. Five of the members must be drawn from the government and five from the public sector. The Assembly of the Conference is composed of approximately 90 members chosen by the Chairman and the Council. Most government agencies are represented.

There are presently four vacancies available for appointment of government representatives and one vacancy for a representative from the public sector. The Vice-Chair is also appointed by you. We recommend the following for appointment:

Members from Government:

Margaret McKenna: Deputy Counsel to the President.

Joan Z. Bernstein: General Counsel, Environmental Protection Agency.

-2-

Michael Pertschuk: Chairman, Federal Trade  
Commission.

Michael Egan: Associate Attorney General.

Member from the Public Sector:

Ira Millstein (New York): Senior partner  
with the law firm of Weil, Gotshall and  
Manges. Presently serving on the Assembly  
of the Administrative Conference.  
Recommended by Jack Watson.

RECOMMENDATION:

Appoint the above slate to the Council of the Administrative  
Conference and designate Margaret McKenna Vice-Chair of the  
Council.

✓ approve

                     disapprove

A large, stylized handwritten signature, possibly reading 'J' or 'F', is written in the lower center of the page.

IRA M. MILLSTEIN

Born: November 8, 1926; New York City

Education:

B.S., 1947, Columbia University  
LL.B., 1949, Columbia University

Experience:

Special Assistant to Attorney General of the United States, Antitrust Division, 1951. Chairman, Continuing Legal Education, Columbia Law School, 1977 to present. Adjunct Professor of Law, Trade Regulation, New York University School of Law, 1967 to present. Chairman, Committee on Ratemaking and Economic Regulation, Administrative Conference of the United States, 1974 to present. Member, 1969-72 and Chairman, 1971-72, National Commission on Consumer Finance. Member, Board of Overseers, Albert Einstein College of Medicine, 1977 to present.

Memberships:

The Association of the Bar of the City of New York; New York State (Chairman, Antitrust Law Section, 1967-68), and American (Chairman, Antitrust Law Section, 1977-78) Bar Association.



THE WHITE HOUSE  
WASHINGTON  
August 17, 1978

Jody Powell  
Bob Lipshutz  
Joe Aragon  
Rick Hernandez

The attached was returned in the President's outbox today and is forwarded to you for your information. The Attorney General was also sent a copy. The original has gone to the Stripping desk for mailing.

Rick Hutcheson

cc: Stripping

THE WHITE HOUSE  
WASHINGTON

8/17/78

Mr. President:

The attached letter to  
Mrs. Bessie Rodriguez is  
recommended by Justice  
and Rick Hernandez.

Bob Lipshutz concurs.

Rick

THE WHITE HOUSE

WASHINGTON

August 17, 1978

To Bessie Rodriguez

I received your letter of July 18 expressing your dissatisfaction with the Attorney General's decision not to seek a second, federal prosecution against the police officer who shot your son.

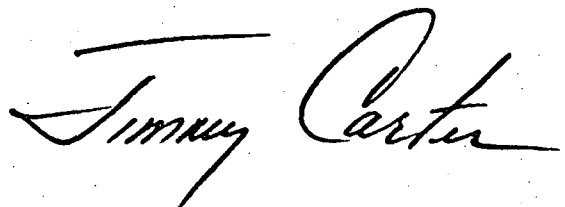
As I said in Houston, I am deeply concerned and moved by this case. The brutality and senselessness of the murder is reprehensible. As you know, there was a news account while I was in Texas that low-level officials in the Department of Justice had determined not to recommend a federal prosecution. I immediately telephoned the Attorney General, told him of my deep concern about the case, and asked him to review the case personally. He assured me that he would, and as you know, he did and publicly set forth in detail the legal basis for his decision. I did not ask the Attorney General or his subordinates either to prosecute or not to prosecute, nor should any President do so.

I know that the Attorney General and officials of the Department of Justice devoted considerable efforts and energy to the study and review of the case. I also believe that they acted in good faith and in the best exercise of their judgment as to what the law requires.

I hope some measure of justice has been served by the vigorous state prosecution and the officer's conviction of murder with malice. In the end, I realize no action could ever compensate for the needless loss of life. The grief which you feel is shared by all of us. All tragedies are ultimately personal, and I know that you bear this loss the heaviest of all. My deepest sympathies are with you.

I hope that the costly lessons of this tragedy will not be lost on our nation. Santos' death and the problems in our society which it so starkly symbolizes serve as a tragic reminder to me of the progress which we yet must make. I shall do all that I can to achieve that progress.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

Mrs. Bessie Rodriguez  
2921 Pearl Street  
Dallas, Texas 75201

July 18, 1978

Dear Mr. Carter:

Since your decision Friday not to re-prosecute in the murder trial of my son, I have tried to think of how I can respond. You said that my son's death was one of the most horrible things you have ever seen. Why then did you decide to do nothing about it? You said you were appalled and deeply concerned with Santos' case. Why then have you taken no action? Your concern to me does not seem very deep.

When you came to Texas last week, you led us all to believe that the case would be retried. Now you have closed the door in our faces. I do not think that I will believe you again.

If the shoe was on the other foot, if you were in my position, how would you feel? Do you think a man that murdered Amy would get off so easily?

My son, if he had been Anglo, no one would refuse to prosecute Cain. Cain's defense, that he didn't know the gun was loaded, would be a laugh in another situation. Anyone who has handled guns at all can tell if one is loaded or not. Do you believe a policeman wouldn't know?

A badge is not a license to kill. Can you imagine, if Santos had killed the policeman instead, what his punishment would have been? I don't think it would be so light.

My family and I aren't the only ones affected by my son's death. In a way, the whole country is affected. There will be demonstrations against your decision on Saturday in Dallas and other places. I want you and the world to know that I support these protests, and I urge everyone to join in. Maybe you are deaf to the pleas of one mother for justice, but you will not be able to ignore so many raised voices.

Like many people, I have not gotten too involved with politics. But what you've done as President, and what you chose not to do, has changed my life--so I have no choice but to be involved.

Sincerely,

*Mrs. Bessie Rodriguez*

Mrs. Bessie Rodriguez

THE WHITE HOUSE  
WASHINGTON

8/17/78

rick--

rsc and east wing have  
original....thought you  
might want to consider  
whether a copy should be  
sent to files indicating  
president's input/comments  
on attached....which i  
gather will be published  
in some form of editorial  
by the first lady.

thanks--susan

*Parti-  
file*

L-

Some thoughts jotted down  
at Camp David by Rosalynn  
Carter.

Rosalynn -  
Don't know purpose -  
It's good  
J

### CAMP DAVID, MARYLAND

*Ruby Throated*  
WE SAT ON THE PATIO EATING LUNCH, WATCHING A <sup>SOME</sup> HUMMINGBIRD,  
~~THE~~ SQUIRRELS <sup>and</sup> A CHIPMUNK<sup>s</sup> AND A WOODCHUCK--FAR REMOVED FROM  
THE PRESSURES AND CONTROVERSIES OF WASHINGTON.

WE TALKED ABOUT THE PAST YEAR AND A HALF--ABOUT SOME  
OF THE IMPORTANT PROGRAMS BEFORE CONGRESS THAT WE <sup>have not yet</sup> ~~ARE~~  
<sup>been able to</sup> FIGHTING HARD <sup>(TO)</sup> PASS. *We are deeply concerned about the energy*  
*a nation at peace; legislation.*

WE TALKED OF ACCOMPLISHMENTS: THE UNEMPLOYMENT RATE  
DOWN; THE ECONOMY IN ITS LONGEST PERIOD OF SUSTAINED GROWTH  
BECAUSE OF JIMMY'S ECONOMIC STIMULUS PACKAGE; THE APPRO-  
PRIATION BILL FOR EDUCATION, LARGEST IN HISTORY, PUSHED  
THROUGH CONGRESS. ---

<sup>But mostly</sup> ~~AND~~ WE TALKED ABOUT <sup>the</sup> BUREACRACY. I THINK IT IS EVEN  
WORSE THAN WE <sup>had</sup> ANTICIPATED BEFORE WE CAME TO WASHINGTON.  
JIMMY IS DETERMINED TO DO SOMETHING ABOUT IT, AND ALREADY  
HAS CUT DOWN RED TAPE <sup>unnecessary federal regulations</sup> AND PAPER WORK. HE AND HIS STAFF  
WORK DAILY ON THE REORGANIZATION OF THE GOVERNMENT. EVERY-  
ONE KNOWS IT IS NECESSARY. NOT ONE OF HIS REORGANIZATION  
~~PROPOSALS~~ <sup>Plans</sup> HAS BEEN TURNED DOWN BY CONGRESS.

NOW CIVIL SERVICE REFORM IS BEING DEBATED. IT IS A MAJOR ISSUE. WE HOPE WE WILL HAVE SUPPORT FOR THIS EFFORT. IT IS CRUCIAL TO HAVE A WELL-ORGANIZED, EFFICIENT GOVERNMENT, RESPONSIVE TO THE NEEDS OF THE PEOPLE OF THIS COUNTRY.

WE TALKED ABOUT <sup>walls and human rights.</sup> PEACE. IN THE PAST MONTHS, I HAVE TRAVELED TO MANY COUNTRIES, AND I AM CONVINCED THAT THE WORLD LOOKS TO US WITH INCREASING RESPECT AND ADMIRATION FOR THE DIFFICULT FOREIGN POLICY DECISIONS THAT JIMMY <sup>making</sup> (MAKES). WE ARE MORAL LEADERS IN THE WORLD. OUR ACTIONS DO AFFECT THE GLOBAL COMMUNITY.

I HAD NOT FULLY REALIZED THIS BEFORE I CAME TO WASHINGTON. NOW I KNOW THAT IF WE HAVE A GOOD PEANUT CROP IN PLAINS, OR A POOR WHEAT CROP IN THE MIDWEST, IT MATTERS IN A GLOBAL SENSE; IF WE USE TOO MUCH ENERGY, GAS, OIL, THERE IS AN IMPACT ELSEWHERE. WE ARE MUCH MORE INTERDEPENDENT THAN I HAD THOUGHT.

WHEN WE FINISHED LUNCH--THE HUMMINGBIRD WAS STILL THERE--WE TALKED ABOUT MY OWN HOPES. IT HAS BEEN A CHALLENGING TIME FOR ME. EXCITING. I HAVE SPENT <sup>more than</sup> (OVER) A YEAR--SEVERAL HUNDRED HOURS--WORKING WITH THE PRESIDENT'S COMMISSION ON MENTAL HEALTH TO DEVELOP A STRATEGY FOR

-3-

CARING FOR THOSE WITH MENTAL ILLNESS. OUR REPORT WAS COMPLETED IN APRIL, AND NOW WE ARE ~~TRYING~~<sup>WORKING</sup> TO IMPLEMENT ITS RECOMMENDATIONS. THIS IS A MAJOR STUDY AND CAN PROVIDE DIRECTION FOR THE CARE OF THE MENTALLY AFFLICTED FOR DECADES TO COME, I AM VERY PROUD OF IT.

OUR CONVERSATION TURNED TO WHAT I AM GOING TO DO NEXT. WE RECALLED THAT EVEN BEFORE WE ~~WENT~~<sup>CAME</sup> TO THE WHITE HOUSE, IT WAS EVIDENT THAT GOVERNMENT COULD NOT SOLVE ALL OF THE NATION'S PROBLEMS. GOVERNMENTAL RESOURCES ARE FINITE. OUR NEEDS ARE NOT. AND FROM THIS REALIZATION, GROWING STRONGER SINCE I HAVE BEEN IN WASHINGTON, I'VE BEGUN ~~TO~~<sup>WHICH</sup> SHAPE UP A NEW EFFORT, I HOPE WILL TAKE ME A STEP FURTHER IN HELPING THE MENTALLY AFFLICTED, THE HANDICAPPED, THE ELDERLY, THE UNDERSERVED.

I HAVE FOUND THIS: PROGRAMS THAT WORK HAVE ONE COMMON INGREDIENT---PEOPLE ~~WHO~~<sup>WHO</sup> CARE ABOUT EACH OTHER. I AM SPEAKING ABOUT PRIVATE CITIZENS IN COMMUNITIES ACROSS THE COUNTRY WHO ARE INVOLVED IN THEIR NEIGHBORHOODS AND TOWNS AND CITIES. ~~THEY~~<sup>WHO</sup> KNOW THERE ARE MANY NATIONAL NEEDS, AS WELL AS LOCAL NEEDS, ~~THAT~~<sup>THAT</sup> CAN BE MET AT THE COMMUNITY LEVEL, ~~THE~~<sup>WHO</sup> WHO UNDERSTAND THE TREMENDOUS POWER OF PRIVATE INITIATIVE AND CITIZEN RESPONSIBILITY, THE POTENTIAL GOOD THAT COMES WHEN CITIZENS SEEK OUT PROBLEMS AND ASSUME THE RESPONSIBILITY FOR THEM, (WORKING <sup>at times</sup> IN PARTNERSHIP WITH GOVERNMENT.) ~~EVERY~~



And I believe that if we  
are going to solve the problems  
that confront us as a nation  
it is going to be done at the  
community level — I believe that every

PERSON IS IMPORTANT, <sup>that</sup> EVERY PERSON HAS SOMETHING TO  
<sup>and that</sup> CONTRIBUTE, <sup>can do</sup> SMALL EFFORTS MAKE A DIFFERENCE.

I HOPE IN THE COMING MONTHS--AND YEARS--TO EXCITE  
AND CHALLENGE YOUNG AND OLD <sup>people</sup> IN COMMUNITIES ACROSS THIS  
COUNTRY TO BECOME A PART OF WHAT I THINK IS A NATIONAL  
MOVEMENT TOWARD A MORE CARING SOCIETY, ONE IN WHICH  
WE FEEL RESPONSIBLE FOR OUR NEIGHBOR.

CAMP DAVID IS A GOOD PLACE TO THINK ABOUT SUCH  
THINGS AS THE PROMISE OF AMERICA. IT IS QUIET AND PEACE-  
FUL HERE AND IT IS EASY TO REMEMBER THAT THERE IS A  
RESEVOIR OF GOODWILL IN ALL OF US. THINGS SEEM CLEARER--  
SUCH AS THE KNOWLEDGE THAT WE HAVE A HERITAGE OF  
BINDING TOGETHER IN TIMES OF NATIONAL CRISIS OR THREAT  
TO FAMILY AND FRIEND OR PERSONAL NEED. LOOKING OUT OVER  
THESE MOUNTAINS AND VALLEYS AND WONDEROUS VIEWS, CON-  
TEMPLATING A HIGHER BEING WHO BLESSED US WITH THIS BEAUTY  
AND TRANQUILITY, IT SEEMS PERFECTLY PLAUSIBLE TO DREAM  
ABOUT A CARING SOCIETY THAT WILL SERVE US WELL.

THE WHITE HOUSE  
WASHINGTON

August 17, 1978

DICK MOE

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Hamilton Jordan  
Frank Moore  
Jody Powell

RE: DoD AUTHORIZATION BILL

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION  
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
✓	JORDAN
	KRAFT
	LIPSHUTZ
✓	MOORE
✓	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
✓	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE



*Good  
J*

OFFICE OF THE VICE PRESIDENT  
WASHINGTON

August 16, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD MOE *RM*  
SUBJECT: DoD AUTHORIZATION BILL

I established and convened a task force this afternoon to prepare for the possibility of a veto of the DoD authorization bill. It consists of representatives from Congressional Relations, OMB, Domestic Policy, Public Liaison, Press, Communications, NSC and DoD.

It was made clear that a veto decision has not yet been made and that our efforts were to be strictly preparatory and contingent upon your decision. With that premise, we made specific assignments to produce the following by tomorrow:

1. Materials

- Press statement and Q's and A's for you.
- Talking points for you and others in notifying Hill leaders.
- Veto message.
- Detailed briefing papers.

2. Congressional Strategy

- Separate meetings with Senate and House leaders tomorrow morning for purpose of notification.
- Call lists for you, Vice President, Secretary Brown, Zbig and Frank to other key Senators and representatives.

MEMORANDUM FOR THE PRESIDENT  
FROM: RICHARD MOE  
SUBJECT: DoD AUTHORIZATION BILL

2

- An effort to pin down as many House members as possible before they leave town Thursday.
- A longer-term strategy to work on House members during their recess, and a similar Senate strategy.

### 3. Public and Media Strategy

- Key Hill leaders will be asked to react favorably to your announcement.
- Vice President, Secretary Brown and others will be placed on morning and weekend talk shows.
- Cabinet members will be asked to speak out forcefully on the issue during the entire time it is pending, but particularly during the next few days.
- Separate background briefings for White House press, DoD press and editorial writers will be held tomorrow by Vice President, Secretary Brown, Zbig and others.
- Mass mailing to all media outlets explaining your decision will go out immediately.

### 4. Public and Political Support

- Tim Kraft and Anne Wexler will enlist the public and private help of key groups and individuals.
- We will ask you to call particularly credible individuals who can help us publicly, such as Clark Clifford and Averill Harriman.

\* \* \* \* \*

We are all taking this assignment very seriously. It is probably the most critical Congressional fight of your Presidency to date in terms of its future implications. I want to assure you that every possible effort will be made to ensure that you prevail.

THE WHITE HOUSE  
WASHINGTON

August 17, 1978

FRANK MOORE

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Stu Eizenstat

RE: Call to Senator Byrd re  
Civil Service Reform

		FOR STAFFING
		FOR INFORMATION
		FROM PRESIDENT'S OUTBOX
		LOG IN/TO PRESIDENT TODAY
		IMMEDIATE TURNAROUND
		NO DEADLINE
		LAST DAY FOR ACTION -

ACTION  
FYI

		ADMIN CONFID
		CONFIDENTIAL
		SECRET
		EYES ONLY

		VICE PRESIDENT
		EISENSTAT
		JORDAN
		KRAFT
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		WEXLER
		BRZEZINSKI
		MCINTYRE
		SCHULTZE

		ARAGON
		BOURNE
		BUTLER
		H. CARTER
		CLOUGH
		COSTANZA
		CRUIKSHANK
		FALLOWS
		FIRST LADY
		GAMMILL
		HARDEN
		HUTCHESON
		JAGODA
		LINDER
		MITCHELL
		MOE
		PETERSON
		PETTIGREW
		PRESS
		RAFSHOON
		SCHNEIDERS
		VOORDE
		WARREN
		WISE

		ADAMS
		ANDRUS
		BELL
		BERGLAND
		BLUMENTHAL
		BROWN
		CALIFANO
		HARRIS
		KREPS
		MARSHALL
		SCHLESINGER
		STRAUSS
		VANCE

THE WHITE HOUSE  
WASHINGTON

August 16, 1978

*Done - Regrets have  
held on it. I called  
Baker - "4 have held.  
You can talk to them"  
J*

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*  
FRANK MOORE *F.M.*

SUBJECT: Call to Senator Byrd re Civil Service Reform

Scotty Campbell and we suggest that you call Senator Byrd as soon as possible to urge him to schedule the civil service reform bill early next week. The Democratic Policy Committee in the Senate met earlier this afternoon to discuss scheduling for the remainder of the session, and Senator Byrd will make a final decision about next week's schedule this afternoon.

As a result of your initiative in bringing Senators Mathias, Stevens, Percy, and Ribicoff to the White House on Monday, Mathias and Stevens have assured us that they are ready to sign a time agreement. Frank's staff is now on the Hill working with relevant Hill staff people to draft the actual time agreement itself.

Frank and I have spoken with members of Senator Byrd's staff about our interest in having the civil service bill up next week, and he has relayed the message back that he is sympathetic to our concerns. A direct call from you to him will strengthen his sense of the priority you attach to the bill.

Talking Points

1. I would appreciate it if you could schedule the civil service reform bill for Senate floor action early next week.
2. Senators Mathias and Stevens have assured my staff and Senator Ribicoff that they are ready to reach a time agreement.
3. As you know, I helped to reach this agreement by having the four Senators to the Oval Office to iron out the final wrinkles -- so the Administration has done all we can do to facilitate swift Senate action on the bill.



4. If the bill is not passed by one of the two Houses before the recess, enactment this year could become difficult or impossible -- conference could be difficult and time could run out.

5. This will be a major victory for a Democratic Administration and a Democratic Congress -- let's not let the opportunity slip.

5 30 P.M.

THE WHITE HOUSE

WASHINGTON

August 17, 1978

RECEPTION WITH STATE COORDINATORS

State Dining Room

5:30 p.m.

by: Tim Kraft

TK

I. PURPOSE

To thank coordinators and regional DNC coordinators for their help in campaign efforts for this fall.

II. BACKGROUND,  
PARTICIPANTS, PRESS

A. BACKGROUND: The State and regional coordinators from the '76 campaign have been invited to come to Washington to brief the regional field system coordinators who have been hired by the DNC to work in four regions around the country this fall to insure that we have a Democratic majority in November.

B. PARTICIPANTS: List Attached

C. PRESS: White House Photo

III. TALKING POINTS

The regional coordinators for the DNC field system will be working in four regions: Northeast, South, Mid-west, West. They are here for a series of meetings with White House staff and former campaign coordinators to acquaint themselves with all areas they will be dealing with. You should emphasize your thanks to all who worked for you (many away from their families) and the Vice President in the campaign and stress the importance of supporting Democratic candidates this fall.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

FOR THE PRESIDENT

FROM GRETCHEN POSTON 

DATE: 17 August 1978

SUBJECT: RECEPTION - STATE COORDINATORS  
5:30 P.M. State Dining Room

Guests for this afternoon's reception are scheduled to arrive via the Southwest Gate - to the State Dining Room. (Refreshments will be served in the center of the room, and the USMC String Quartet will be performing at the south end of the room.)

The group at the reception (list attached) is comprised of the Carter-Mondale state campaign managers from 1976 - it will be sort of a reunion - plus DNC staffers who will be working to set up field operations for this coming campaign.

A STAND UP MIC is available for welcoming remarks. It is set up just inside the door to the State Dining Room. There is no press coverage for this function.

GUEST LIST - 17 August 1978 - Reception for 1976 State Coordinators

The President and Mrs. Carter  
The Vice President

Mr. William Albers  
Mr. Ben Alexander - New Mexico, 1976

Mr. Fred Banks, Jr. - Mississippi, 1976  
Miss Lori Baux  
Mr. John Billet - New Jersey, 1976  
Mr. John B. Bleckley - West Virginia, 1976  
Ms. Nancy Blunck  
Ms. Judith Brand  
Ms. Sharon Brooks  
Mr. Ben Brown  
Mr. Chris Brown - Western Reg. Coordinator, 1976  
Ms. India Brown

Ms. Jo Carpenter  
Mr. Gary Caulfield - Hawaii, 1976  
Ms. Kay Christenson - Utah, 1976  
Ms. Nancy Codekas  
Mr. Douglas Coulter - Indiana, 1976  
Mr. Dan Cupit - Mississippi, 1976

Mr. Malcolm Dade - Mid-western Reg. Coordinator, 1976  
Hon. Chris T. Delaporte - Oklahoma, 1976  
Mr. Joel M. Dent  
Mr. John Devereaux - Iowa, 1976

Ms. Gretta DeWald  
Mr. and Mrs. William Dixon - Wisconsin, 1976  
Hon. Evan S. Dobelle  
Mr. Gerard Doherty - New York, 1976  
Mr. Robert Donahue (DNC) Eastern field assistant - 1980  
Mr. Angus Duncan - Oregon, 1976  
Mr. Charles Duncan - Atlanta - field assistant, 1976  
Mr. David E. Dunn - Florida, 1976

Mr. John Eade - Missouri, 1976  
Ms. Moria Egan - Atlanta - New England Reg. Coordinator, 1976  
Ms. Kathy Espinoza

Mr. Jim Free - Tennessee, 1976  
Mr. Michael Freeman - Minnesota, 1976

Mr. Tracy Gallagher - White House point-person, 1976

Mr. Jay Hakes - Los Angeles, Primary Coordinator, 1976

Mr. and Mrs. David Hales - Mid-plains Reg. Coordinator, 1976

Mr. Richard Ham - Nevada, 1976

Mr. Ralph Hamilton - Regional Coordinator, 1976

Mr. Daniel Horgan - Ohio, 1976

Mr. Jim Humlicek - Nebraska, 1976

Mr. Rick Hernandez - Hispanic affairs; Carter/Mondale committee person  
Deputy to Tim Kraft

Mr. Willis Jones - Atlanta, Regional desk

Mr. Randolph Kinder - Washington, D.C., 1976

Mrs. Patti Knox - Massachusetts, 1976

Ms. Sandy Libby - point-person

Ms. Nancy Lucas

Mr. Jim Marcellino

Hon. Russell Marane - South Carolina, 1976

Mr. Joe McCarter - Rocky Mt. States Reg. Coordinator, 1976

Mr. Joel McCleary - North Carolina, 1976

Ms. Margaret McKenna - Rhode Island, 1976

Mr. Arnie Miller - Maryland, 1976

Mr. Jim Nathan (DNC) field assistant - 1980

Hon. Donald O'Brien

Mr. Terrence M. O'Connell, III - California, 1976

Mr. and Mrs. Lewis Odom - Alabama, 1976

Mrs. Dot Padgett - Georgia, 1976

Mr. Charles Parrish - Texas, 1976

Ms. Francine Pegues

Mr. Bernard Phelan - Wyoming, 1976

Mr. Dan Rambo - Kentucky, 1976

Mr. David Rashmir - Atlanta, field assistant, 1976

Ms. Carla Reames - Delaware, 1976

Ms. Diana Rock - Mid-industrial Reg. Coordinator, 1976

Mr. Bill Romjue - Missouri, 1976; Mid-western field assistant - 1980

Ms. Donna Sagemiller - Atlanta, 1976  
Ms. Mary Schecklehoff - Northeast Reg. Coordinator, 1976  
Mr. Richard Segerblom - Western field assistant - 1980  
Mr. Paul Sheehan  
Ms. Mary Silkworth  
T.K. Singer  
Mr. Kevin Smith (DNC) Co-deputy  
Mr. Lewis Garrard Smith - Los Angeles, Gen'l Elec. Coordinator, 1976  
Mr. Timothy Smith - Virginia, 1976  
Ms. Robbin Sorenson (DNC) field assistant - 1980  
Mr. Garry South - Montana, 1976  
Mr. Paul Sullivan - Illinois, 1976

Hon. Joseph Timilty - Pennsylvania, 1976  
Ms. Ann Todd

Mr. Robert D. Vincent - Kansas, 1976  
Ms. Karen Voight - North Dakota, 1976

Ms. J.L. Wade - Regional Coordinator, 1976  
Hon. Wellington Webb - Colorado, 1976  
Ms. Jane Wells - Vermont & New Hampshire, 1976  
Mr. Gordon Werner - South Dakota, 1976  
Hon. John C. White  
Mr. Phil Wise - Southern Reg. Coordinator, 1976  
Ms. Rory Wilcox  
Mr. Gordon Wynne

THE WHITE HOUSE  
WASHINGTON

August 17, 1978

Q  
/

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE *Fm.*

Secretary Schlesinger is meeting with Senators McClure and Domenici at 11:00 a.m. today. He will find out then what they want. He expects it will be assurances that we are not anti-nuclear. They may ask us to commit to a spending level of \$400 million a year on breeder technology. We are now spending \$429 million.

Dr. Schlesinger would like to pick up the phone in their office; call you and ask you to give them assurances over the phone, i.e. Walter Flowers and Tiger Teague. He thinks this will wrap it up and you will not have to meet with McClure.

Joe Waggoner has gone underground waiting until the Louisiana lawyers get through going over the text of the new manager's report.

We are now going for the 13 without Joe Waggoner. If we get him later today or tomorrow, it will be a bonus.

*CL. v.p.*

Bob Russell

THE WHITE HOUSE  
WASHINGTON

8/17/78

Mr. President:

When you talked with Jane  
Eskind (senate candidate-Tenn)  
yesterday, did you agree to a  
meeting with her to discuss  
campaign strategy? She has called  
requesting such a meeting.

Phil

Photo & me -  
Strategy &  
Tim, Ham, White,  
etc

J



THE WHITE HOUSE  
WASHINGTON

Phil  
has seen

THE WHITE HOUSE  
WASHINGTON

FOR THE RECORD:

Frank Moore was given a copy  
today, 8/17/78

THE WHITE HOUSE  
WASHINGTON

*Personal*

*Frank J.*

August 17, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M./BR*

*done*

*Cautioned,  
not  
ordered* →

The Speaker feels very strongly that the Navy has not followed your direction. He feels you should call the CNO, Secretary and Assistant Secretary of the Navy, and his top Congressional Relations people and give them a direct order: You want them to contact every member of the House and urge them to support the President's decision and report back in writing within a week who contacted the member and the response to the request.

I think this approach will ensure the appearance of a solid front from the Department of Defense.

Mr. President, this is the Speaker's suggestion. I would not do it unless Harold agrees.

It would be a good test as to who is Commander in Chief.

ADMINISTRATIVELY CONFIDENTIAL



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

August 16, 1978

MEMORANDUM FOR: THE PRESIDENT  
FROM: James T. McIntyre, Jr. *JTM*  
SUBJECT: Formal Written Veto Statement

The attached statement (Tab A) represents an agreed document between Harold Brown and me as to the appropriate words for you to use as a formal written signing statement, with one major exception.

Harold is strongly concerned that we need to maintain a high level of shipbuilding after conceding to delete the Trident. Accordingly, he suggests (see his language at Tab B) that we ask not only for restoration of the three SURTASS ASW ships in our original budget, but also for three more ships not in our 1979 program.

*I agree with OMB*

I believe that a critical strength of our present strategy is its cleanness, i.e., we ask to delete a \$2 billion carrier and put back \$2 billion in high priority and previously requested items. I am deeply concerned that Harold's approach sets us up for a potentially devastating backlash: We will, under his tactic, be telling Congress that they have done violence to our program and at the same time -- through adding the extra three ships -- asking to change our original program ourselves, without any readily saleable rationale.

We encountered severe backlash on two previous occasions when we attempted to add a new argument or pull in items from next year's budget in order supposedly to bolster our case. In the B-1 fight, it was the FB-111H, which almost lost the battle for us. In the House Authorization fight on the CVN, it was our last minute effort to substitute the CVV in FY 1979.

I recognize the real need to avoid "leaving out the Navy," and I believe our suggested language does this. I strongly believe that Harold's approach, by raising totally new issues without any prior groundwork, will backfire, and what few votes it might garner from shipbuilding advocates will be more than overcome by opposition by those accusing us (as they have on the two occasions I cited) of not knowing what we really want and shifting positions in midstream.

I recommend you utilize the veto message at Tab A, limiting the naval reclama to ships in our original program, and keep our reclama equal to the \$2 B freed up by the carrier reduction. (Harold's reclama, even with his desire to seek restoration of only \$275M of our \$500M R&D losses, would total \$2.4B).

ADMINISTRATIVELY CONFIDENTIAL

Attached is a background paper that suggests a strategy to sustain a veto of the DOD Authorization Bill.

These decisions need to be made during the luncheon meeting:

- (1) Whether to veto
- (2) Whether to establish a project management team (with a leader) to implement and develop the strategy.
- (3) Who should work full-time on coordinating day-to-day aspects of the project, reporting to the Vice President and senior staff.

## Draft Outline of Strategy in Case of DOD Authorization Veto

This memorandum is a product of staff level discussion of steps that need to be taken should a decision be made to veto DOD authorization bill.

### Organization

(1) A high level coordinating committee should be established, including at least the following members: the Vice President, Secretary of State, Zbig Brzezinski, Harold Brown, Jim McIntyre, Hamilton Jordan, Jody Powell, Frank Moore, Jerry Rafshoon, Anne Wexler, and Stu Eizenstat. This group should meet regularly until the veto has been sustained.

(2) A project management team should be established of persons who would work full-time or substantially on a day-to-day strategy implementation. There should be a full-time project manager, potentially Dick Moe of the Vice President's office. Other members should include: Bill Smith of the Vice President's office to coordinate Senate activities full-time calling as needed on Dan Tate and Bob Thomson who will also be occupied with other activities, Bill Cable working full-time on the House and Bob Beckel working on both the House and Senate, Bo Cutter and Randy Jayne from OMB, Jerry Rafshoon, Landon Butler, Anne Wexler, John Kestler and Grant Miller from the Defense Department, Walt Wurfel and David Aaron and Madeleine Albright from NSC.

### Materials to Be Prepared

The following materials need to be prepared immediately.

(1) Talking points for use in contacts with House and Senate members, the press, and influential outside leaders during the period immediately before and after the veto announcement.

(2) A press statement and Q's and A's for the President's Thursday news conference.

(3) A veto message which includes strong reference to areas where funds currently allocated for carriers could be reallocated to better meet defense needs and NATO.

(4) A briefing book to be distributed on Thursday by media liaison to press and editorial writers.

(5) An expanded briefing book setting forth the detailed arguments for use in the period between the veto and Congressional consideration.

#### Press and Media Strategy

A strategy should be developed which includes background briefings in connection with the Thursday announcement and Friday's veto message -- a strategy to get Harold Brown and others (Jim Schlesinger, Zbig, Warren Christopher) on national and regional media over the weekend -- a detailed briefing for defense writers presented by OMB, DOD and NSC -- special attention to editorial boards, special attention to regional press.

#### Contacts With Outside Leaders

The President, Vice President, Secretary of Defense might consider making a number of calls to outside leaders who might be supportive: Clark Clifford, Averell Harriman, Stu Symington, James Lynn (Ford's OMB Director) come to mind, but a more impressive list could be put together with Secretary Brown's help.

#### Congressional Notification Strategy

See Next Page

Congressional Notification Strategy

- I. Calls that the President must make immediately after he makes the decision to veto the Defense Authorization Bill.

Senate: Robert Byrd  
Warren Magnuson  
John Stennis

House: Tip O'Neill  
James Wright  
George Mahon  
Melvin Price

- II. Calls the President should make sometime after the decision and before public announcement.

Senate: Sam Nunn  
Edmund Muskie  
Dale Bumpers  
John Culver

House: Dan Rostenkowski  
Lucien Nedzi  
Les Aspin  
Edward Boland  
Robert Giaimo  
Sid Yates

- III. Calls that should be made by the Vice President, Secretary Brown, Zbig Brzezinski and Cyrus Vance after the decision, pre-announcement.

<u>Senate:</u>	Thomas McIntyre	(Vice President)
	Scoop Jackson	(Secretary Brown)
	Howard Cannon	(Secretary Brown)
	Gary Hart	(Vice President)
	Robert Morgan	(Zbig Brzezinski)
	Wendell Anderson	(Vice President)
	John Tower	(Secretary Brown)
	William Proxmire	(Zbig Brzezinski)
	Daniel Inouye	(Vice President)
	Ernest Hollings	(Secretary Brown)
	Birch Bayh	(Vice President)
	Thomas Eagleton	(Vice President)
	Lawton Chiles	(Cyrus Vance)
	Bennett Johnston	(Zbig Brzezinski)
	James Sasser	(Vice President)



(Continued)

<u>Senate:</u>	John Sparkman	(Cyrus Vance)
	Frank Church	(Cyrus Vance)
	George McGovern	(Cyrus Vance)
	Dick Clark	(Vice President)
	Clifford Case	(Cyrus Vance)
	Howard Baker	(Cyrus Vance)
<u>House:</u>	Tom Foley	(Cyrus Vance)
	Jack Edwards (Ala)	(Secretary Brown)
	Clement Zablocki	(Cyrus Vance)
	William Broomfield	(Cyrus Vance)
	Dante Fascell	(Cyrus Vance)
	Charles Diggs	(Cyrus Vance)
	Bill Burlison	(Secretary Brown)
	John Brademas	(Vice President)

IV. Calls to be made by Frank Moore, Jim McIntyre, and Stu Eizenstat

House: Sam Gibbons  
Abner Mikva  
Ralph Metcalf  
Joe Early  
John Dingell  
Richard Gephardt  
William Ford  
Joe Addabbo  
Henry Nowak  
Otis Pike  
Bill Cotter  
Paul Rogers  
Lee Hamilton  
Charles Vanik  
Henry Reuss  
Joe Fisher  
Phil Burton  
Richard Preyer  
Frank Thompson  
Norman Mineta  
James Tucker  
Tom Ashley

\* Denotes those who should be asked to issue a public statement in support of the President's decision to veto the authorization bill.

DEFENSE AUTHORIZATION VETO - THEME PAPER

The Administration's message on the defense authorization veto must be simple and consistent. In the time we have to sell this veto we must repeat as often and as forcefully as possible a simple argument that makes sense and can be easily remembered.

The single principle that underlies the following themes is this: The American people cannot be expected and will not attempt to make difficult and sophisticated judgements about complicated defense matters. Given a President and a Congress asking for the same amount of money for different items and both claiming that the national defense is at stake, they will have to choose. Are they going to side with the Congress or the Commander-in-Chief?

The simple themes which should be used to support the Commander-in-Chief's decision are these:

1. The President is the Commander-in-Chief of the Armed Forces. His greatest responsibility is to insure the adequate defense of this nation.
2. The bill passed by the Congress would seriously weaken our national security. It would weaken the Army and the Air Force by depriving them of the weapons and equipment that the President has asked for. It would weaken our fighting capability by denying the readiness funds the President requested. It would weaken our research and development efforts which are necessary if we are to keep up with Soviet advances. It would weaken our commitment to NATO.
3. The bill is wasteful. It substitutes a fancy \$2 billion carrier for the less glamorous but far more important needs of the Armed Forces. We need to support our troops in Europe and elsewhere now more than we need another carrier in 1987 or beyond.

TAB A

TAB B



THE SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

August 16, 1978

NOTE FOR JIM McINTYRE

In light of our conversation I now propose that the following changes be made in the draft veto message which John Kester sent to Randy Jayne earlier today:

- Page 4. Change the last paragraph on the page to read as follows:

"\$275 million for research and development --  
This amount of research and development is the net amount deleted from my Fiscal Year 1979 budget by one or another Congressional action."

- Page 5. Change the first paragraph to read as follows:

"Naval ships -- It is crucial to maintain an appropriate annual level of naval ship construction, and to retain all the general purpose ships requested in our budget. I propose six more naval ships in Fiscal Year 1979 than seem likely to result from the Congressional process so far -- two guided missile frigates, three antisubmarine warfare ships, and a fleet oiler. Some of these would be moved from later years into the Fiscal Year 1979 program from funds made available by slippage in the Trident submarine program. All six ships together cost less than a third of the price of a nuclear-powered carrier."  
*no*

In the version earlier proposed by Randy, the total amount of new programs proposed would have added to \$2.1 billion. With the two changes noted above, the total adds to \$2.4 billion, an amount which I believe is quite appropriate to use.

Frank Moore's people say that the addition of naval ships, as I propose, will help get votes to sustain the veto. Jack Edwards told me the same thing.

*Harold*

TO THE HOUSE OF REPRESENTATIVES

I am returning without my approval H.R. 10929, the "Department of Defense Appropriation Authorization Act, 1979." I am doing so because I cannot, consistently with my constitutional responsibilities, sign into law a bill that in my view would weaken our national security in certain critical areas and wastes scarce defense dollars. The Congress' inclusion in this bill of a number of lower priority programs would force out of our defense budget certain central elements of our program, items needed now to modernize and bolster our military forces.

I believe that the defense of the United States needs to be strengthened. An adequate defense is the single most important concern I have as President. Accordingly, I submitted to the Congress in January of this year a budget request for the Department of Defense which would if enacted provide the defense we need. It requested \$126.0 billion for the Department of Defense for Fiscal Year 1979. That amount was judged by me and by the Secretary of Defense to be adequate to provide for the military security of this country in Fiscal Year 1979, provided it was wisely spent.

The bill I am returning does not spend wisely. Instead, it actually would lead to less defense capability than I have requested. It does this by eliminating funds for high priority defense requirements and adding funds for purposes which do not meet our defense needs. Most notably, it would take nearly \$2 billion from the total and set it aside for purchase of a nuclear-powered aircraft carrier -- a ship which in the end would cost at least \$2.4 billion, plus additional billions for its aircraft and the additional ships needed to defend and escort it.

*We need more immediate improvements in our defense forces. A new nuclear powered aircraft carrier would not be commissioned until 1987.*

*When would  
it be  
Commissioned?*

To spend \$2 billion in defense dollars in that way would ignore much more serious and immediate defense needs. Other programs have been cut, during the appropriation process as well, to stay within Congressional budget limits. The effect would thus be to take away funds urgently needed by the Army, Navy, Air Force and Marine Corps for high priority programs -- and to use those funds to build the most expensive ship in history. The result would be to weaken our military security in several critical areas, particularly during the next two years, at a time when we should be strengthening it. Within the \$126.0 billion allocated for defense, we cannot have both an adequate <sup>by balanced program</sup> defense, and the luxury of an unneeded nuclear-powered aircraft carrier.

In pushing a nuclear-powered aircraft carrier into a \$126.0 billion defense budget, H.R. 10929 would result in reduction or elimination of these essential programs, and a consequent weakening of our defense posture:

- Weapons and equipment for the Army. I requested a \$1 billion increase to strengthen our ground forces, particularly our NATO-oriented forces, by providing more helicopters, combat vehicles and ammunition for our front-line forces. Adding the nuclear-powered aircraft carrier means eliminating \$800 million of that increase.
- Weapons and equipment for the Air Force. I requested more funds for airlift, electronic warfare equipment and electronically guided ordnance. Adding the nuclear-powered aircraft carrier means eliminating \$200 million of this increase.

- Readiness funds. It makes no sense to have military forces if their equipment is not in condition to fight. I requested an increase of \$1 billion for items which are not glamorous, but which provide the immediate fighting capability of our forces -- funds (requiring appropriation but not prior authorization) for repairs of weapons, spare parts for vehicles and aircraft, ship overhauls, training of personnel, communications, and logistical support to move equipment to where it is needed. Adding the nuclear-powered aircraft carrier means eliminating half of that increase in fighting capability -- some \$500 million.
- Research and development. To sustain our position of excellence in a world of weapons increasingly dependent on technology, I requested a 3% real growth in defense research and development. Adding the nuclear-powered aircraft carrier leads to an actual reduction in research and development. The bill also shifts some R&D funds from high priority programs to less important ones.

Our Navy has for a decade been moving in the direction of larger and larger, more-and-more-costly ships, and fewer of them. As a consequence our fleet today is smaller than at any time since 1940. We need a fleet that includes more vessels that can perform our Navy's mission but that are not, as this one would be, so designed as to be prohibitively expensive to build. The Navy does not need ~~a fourth Fifth~~ <sup>another</sup> nuclear-powered aircraft carrier. Nest force. It can ~~maintain a twelve-carrier fleet and maintain~~ <sup>attain all</sup> the fighting capability it needs from a conventionally powered carrier, which I shall request in my budget for next year, at a saving of \$1 billion for that single ship. Without this kind of discipline and control of the cost of ships, our Navy will not long be able to carry out its missions.

[At this time, no plans have been made for the construction of this new carrier, and procurement funds could not be spent wisely in FY 1979.]



For these reasons, I must withhold my approval from H.R. 10929. I adhere firmly to my request that the Congress provide \$126.0 billion for defense in Fiscal Year 1979. But I ask that the Congress delete the authorization for the nuclear-powered aircraft carrier, and use that essential \$2 billion of that \$126.0 billion instead for as many of our programs as possible from the following critical areas:

\$1 billion for Army and Air Force equipment -- For helicopters, transport aircraft, combat vehicles, electronic equipment, ammunition and ordnance and other weapons and equipment.

\$500 million for improving readiness in all the armed services -- For a wide variety of items, ranging from repair of weapons to spare parts stockage to improved training and logistical support.

Up to \$500 million for research and development -- For programs proposed in my FY 79 budget but deleted by one or another Congressional action.

Naval Ships -- [\$100 million for three anti-submarine warfare ships.] It is crucial to maintain an appropriate overall annual level of ship construction. The Congress should return all of the general purpose ships requested in our budget.

These are the ways in which our defense dollars need to be spent. These are the ways in which they will add to our military security, by obtaining the greatest military capability for each dollar and by focusing the effort where more effort is needed.

In light of the continuing Soviet buildup, we must not reduce our own real defense capability, either by cutting the budget amount I have requested, or by substituting for high priority defense requirements programs which are less urgent or less effective.

If we do not spend our defense dollars wisely, we do not provide adequately for the security of our country. I know that the Congress and I share common goals. I ask the Congress to cooperate with me to help our armed forces use their funds in ~~the~~ ways which produce the greatest fighting power, and to provide the men and women of our armed forces with the kinds of weapons, equipment and other items of support which they need to do their jobs.

THE WHITE HOUSE  
WASHINGTON

August 17, 1978

TO: FRANK MOORE

The attached was returned in  
the President's outbox. It is  
forwarded to you for delivery.

Rick Hutcheson

cc: Stu Eizenstat  
Jim McIntyre

RE: Letter to Senator  
Barry Goldwater re potential  
problem for Hopi Indians  
who practice the Kachina  
religion.

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
/	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION  
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
/	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
/	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
/	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAF'SHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

SUMMARY OF CONGRESSIONAL MAIL TO THE PRESIDENT

DATE: AUGUST 15, 1978

PAGE: - 2-

FROM

SUBJECT

DISPOSITION

COMMENTS

REP. PARREN MITCHELL  
(D) - MARYLAND

REQUESTS THAT YOU URGE SECRETARY  
HARRIS TO IGNORE THE  
PROTESTATIONS OF FNMA AND TO  
PUBLISH THE REGULATIONS GOVERNING  
THE ASSOCIATION.

REFERRED TO HUD  
CC:EIZENSTAT

SEN. BARRY GOLDWATER  
(R) - ARIZONA

DISCUSSES THE KACHINA RELIGION OF  
THE HOPI INDIANS; SAN FRANCISCO  
PEAKS (HIGHEST MOUNTAIN IN  
ARIZONA) IS THE TRADITIONAL HOME  
OF THE GODS OF THE HOPI;  
CONCERNED ABOUT EFFORTS TO  
COMMERCIALIZE THE MOUNTAIN BY  
PRESSURING THE FOREST SERVICE TO  
RELINQUISH LAND FOR HOMESITES;  
REQUESTS YOUR HELP IN PROTECTING  
THE MOUNTAIN AND THE RELIGION OF  
THESE PEOPLE; WILL SEND YOU BOOKS  
ON KACHINAS.

ACKNOWLEDGED BY FM  
REFERRED TO  
AGRICULTURE  
CC:EIZENSTAT

*To me*

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

August 17, 1978

FOR: THE PRESIDENT  
FROM: FRANK MOORE *fm.*

The attached letter has been prepared for your signature:

To Senator Barry Goldwater: Thanks for your letter bringing to my attention a potential problem for the Hopi Indians who practice the Kachina religion.  
(logged:8-15).

# United States Senate

WASHINGTON, D.C. 20510

## COMMITTEES:

ARMED SERVICES  
TACTICAL AIR POWER SUBCOMMITTEE  
INTELLIGENCE SUBCOMMITTEE  
RESEARCH AND DEVELOPMENT SUBCOMMITTEE  
COMMERCE, SCIENCE AND TRANSPORTATION  
SCIENCE, TECHNOLOGY AND SPACE  
AVIATION  
COMMUNICATIONS  
SELECT COMMITTEE ON INTELLIGENCE  
VICE CHAIRMAN

August 9, 1978

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

You and I may have our disagreements here and there, but religion will never be one of them.

The Hopi Indians, who live on their reservation in Northern Arizona and whose home has been there for nearly three thousand years, have always practiced the "Kachina Religion." Kachina means to them what God means to us, only they have about 250 different Kachinas taking care of every facet of their lives.

This religion is still practiced by old and young alike and very few of these people ever accept Christianity which, of course, is their right and a right I will defend. Now comes the problem. The San Francisco Peaks, the highest mountain in Arizona, 12,400 feet above sea level, is the traditional home of their Kachinas and the medicine men and chiefs from their eighteen villages regularly visit the mountain where they observe the Kachinas walking or running through the forest. These men then return to their villages and make, out of cloth, wool, fiber, etc., replicas of the faces of gods which they call masks. When a man puts this mask on and wears the appropriate attire, he becomes that god and participates in ceremonials held throughout the year in the different villages.

For many years non-Indians have tried to commercialize this beautiful mountain by pressure on the Forest Service to relinquish land for homesites, etc. It is my understanding that the Forest Service is once again being pressured on this and that they are holding hearings with the end effect being that a large part of the mountain will be used by non-Indians. Now, frankly, I don't know if there is such a thing as a national religious site in our park category, but I am going to make an inquiry and if it is possible to obtain this kind of protection for this mountain, I will try. I wanted you to know about this because it may be that these people will need your help. I am asking that several books on Kachinas be sent to you. After you have looked at them, I am sure your daughter would really enjoy them.

With respect,

Barry Goldwater

ACK. FM/Agriculture  
CONGRESSIONAL  
LIAISON

AUG 15 1978

cc: SE

SUOS  
IN01

THE WHITE HOUSE

WASHINGTON

August 17, 1978

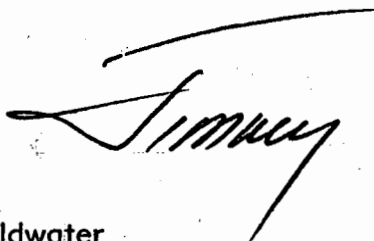
To Senator Barry Goldwater

Thanks for your recent letter bringing to my attention a potential problem for the Hopi Indians who practice the Kachina religion.

I share your concern for the preservation of this religion, and will ask several of my advisers to comment on what kind of help can be made available to these people to maintain the San Francisco Peaks as the traditional home of the Kachinas.

I look forward to receiving the books and sharing them with my family. Thanks for your thoughtfulness.

Sincerely,



The Honorable Barry Goldwater  
United States Senate  
Washington, D.C. 20510

*Barry, my inclination is to  
help with this. J  
keep me informed.*



THE WHITE HOUSE  
WASHINGTON

August 17, 1978

STU EIZENSTAT  
TIM KRAFT (Rick Hernandez)

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder

re: National Hispanic Heritage  
Week

		FOR STAFFING
		FOR INFORMATION
	/	FROM PRESIDENT'S OUTBOX
		LOG IN/TO PRESIDENT TODAY
		IMMEDIATE TURNAROUND
		NO DEADLINE
		LAST DAY FOR ACTION -

ACTION  
FYI

		ADMIN CONFID
		CONFIDENTIAL
		SECRET
		EYES ONLY

		VICE PRESIDENT
	/	EIZENSTAT
		JORDAN
	/	KRAFT - <i>Hernandez</i>
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		WEXLER
		BRZEZINSKI
		MCINTYRE
		SCHULTZE

		ARAGON
		BOURNE
		BUTLER
		H. CARTER
		CLOUGH
		COSTANZA
		CRUIKSHANK
		FALLOWS
		FIRST LADY
		GAMMILL
		HARDEN
		HUTCHESON
		JAGODA
	/	LINDER
		MITCHELL
		MOE
		PETERSON
		PETTIGREW
		PRESS
		RAFSHOON
		SCHNEIDERS
		VOORDE
		WARREN
		WISE

		ADAMS
		ANDRUS
		BELL
		BERGLAND
		BLUMENTHAL
		BROWN
		CALIFANO
		HARRIS
		KREPS
		MARSHALL
		SCHLESINGER
		STRAUSS
		VANCE

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

August 16, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

Stuart Eizenstat *SE*  
Tim Kraft *TK*  
Rick Hernandez *R.H.*

SUBJECT: National Hispanic Heritage Week, September 10-16.

Attached is a draft memo from you to all Cabinet and Agency officials regarding National Hispanic Heritage Week to be held September 10-16.

Plans for the week's activities are being formalized now by a committee composed of the top level Hispanic appointees in Washington, D.C. Rick Hernandez is responsible for coordination of these efforts. Approximately 12 town meetings will be held during this week in selected cities throughout the country. Team leaders in each of these cities will be top level Hispanic appointees, who in most cases, will be from the areas where they are representing us.

We feel that the attached memo to Cabinet and Agency officials will serve two purposes:

- 1) It will re-emphasize the importance of Hispanic traditions and culture in this country.
- 2) More importantly, it will ensure that Agency and Department heads are aware of Hispanic Heritage Week and the importance of making their senior level Hispanic appointees available to participate in the town meetings.

We hope you will seriously consider this request.

Attachment

Fallows has cleared the proposed memo.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

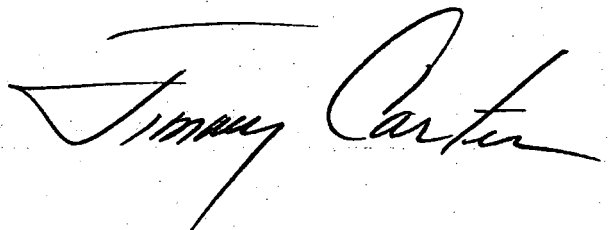
EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: National Hispanic Heritage Week

September 10 through 16 has been designated National Hispanic Heritage Week. A series of town meetings will be held during this week in selected cities throughout the country where there are significant Hispanic population concentrations. The purpose of these meetings will be to listen to the views of the Hispanic community on current economic and social issues, particularly education, jobs, housing, health and criminal justice.

Top level Hispanic appointees in each of your agencies have been asked to participate in these town meetings. I have asked that they report to me on the views expressed at the meetings and what kind of action needs to be taken by the Departments and Agencies to deal with the problems identified. I hope you will cooperate in this effort by making available to us the Hispanic appointees who have been asked to participate in the week's activities.

The importance of National Hispanic Heritage Week should not be underestimated. It is a special opportunity to reaffirm this Administration's commitment to ensuring the full participation of our Hispanic citizens in all levels of our society and government.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned in the lower right quadrant of the page.

NATIONAL HISPANIC HERITAGE WEEK, 1978

- - - - -

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

The Hispanic heritage of 16 million Americans is an essential part of our identity as a nation, and of our role as a leader among nations. As we reflect upon the countless historical, cultural, and scientific contributions that Hispanics have made to the development of our country, I want to reaffirm my commitment to ensuring the full participation of our Hispanic citizens in all levels of our society and government.

Americans have had a unique opportunity to appreciate the values of a broad diversity of cultures and the contribution each makes to our democratic and pluralistic society.

As we reach beyond our national borders to advocate the cause of human rights, we must increasingly look to our own Hispanic community as one of our primary sources of advice and counsel, particularly in the development of our relations with other nations of the western hemisphere.

Our Hispanic community is an integral element in the domestic life of our own nation, as well as in our continuing international effort to build understanding, mutual respect, and common purpose with all Hispanic nations.

In recognition of our Hispanic heritage, the Congress, by joint resolution approved September 17, 1968 (36 U.S.C. 169f), has requested the President to issue annually a proclamation designating the week including September 15 and 16 as National Hispanic Heritage Week.

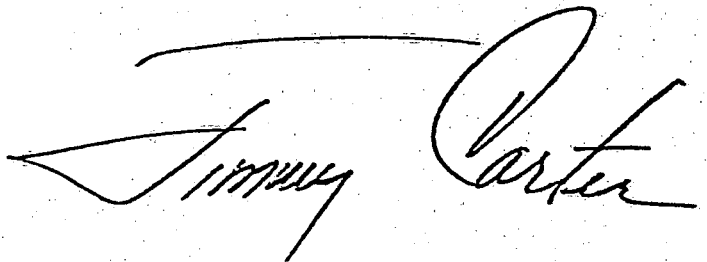
NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby proclaim the week beginning September 10, 1978, as National Hispanic Heritage Week. I call upon all Americans to take this occasion to reflect on the influence of Hispanic culture in our land, and to consider how each of us can be more responsive to the concerns of Hispanics.

As we observe National Hispanic Heritage Week with appropriate ceremonies and activities, I call upon all Federal, State and community agencies, all business and professional leaders, educators, the clergy, and the communications media to join with me in launching new Hispanic initiatives that will assure the full participation of Hispanic Americans in every sector of American life, at every level of leadership, and guarantee that the human and civil rights of Hispanics, other minorities and, indeed, all citizens of our country are fully protected under the law.

As part of this week's activities I have asked many of my Hispanic appointees to hold town meetings in areas of concentrated Hispanic population. These meetings will help define the problems and concerns shared by Hispanics across our nation.

The role of Hispanics is ever increasing and offers our Hispanic citizens -- the fourth largest Spanish-speaking population in the world -- an increasingly active and visible leadership.

IN WITNESS WHEREOF, I have hereunto set my hand this seventeenth day of August, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and third.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned in the lower right quadrant of the page.

THE WHITE HOUSE  
WASHINGTON

August 17, 1978

HAMILTON JORDAN

The attached was returned in  
the President's outbox. It is  
forwarded to you for your  
information.

Rick Hutcheson

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION  
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
✓	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE



Phil has  
seen.

THE WHITE HOUSE  
WASHINGTON

Phil - Just  
keep down  
unnecessary  
additions -  
Leave me some  
time on Friday  
J

Mr. President:

Before you leave Friday for two weeks, the following items can and/or will be coming up for action and/or decision by you:

- The problems with the international economy ✓
- Trying to resolve problems with energy conference ✓
- Possibility of Thursday vote in House on Civil Service ✓
- Possibility of Defense Authorization Veto ✓
- Thursday press conference ✓
- Review of Middle East recommendations from Cy and Working Group - Cy is going to ask for time before you leave. H.Q. ✓

I would strongly recommend that you take a careful look at your own schedule with the goal of freeing up as much time as possible. It will be needed for special meetings with your staff, your Cabinet and the Congress on each of these special items.

*Hamilton Jordan*  
Hamilton Jordan

THE WHITE HOUSE

WASHINGTON

August 15, 1978  
Tuesday - 3:00 p.m.

MR. PRESIDENT:

Hamilton said you wanted some options on clearing your schedule for other activities. Possible postponements are:

WEDNESDAY

Postpone CIA tour until September. This *no* would free up 2 hours.

Cancel lunch with *Cap* John Murphy *ok*

THURSDAY

Cancel lunch with Rosalynn.

Cancel weekly intelligence meeting.

FRIDAY

Move departure to Plains to a later time than 3:30 p.m.

*This does not help as Capou goes home Thursday night.*  
*7/9.*

PHIL

Wednesday - August 16, 1978

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3:15 Dr. Zbigniew Brzezinski - The Oval Office.

9:00 Mr. Frank Moore - The Oval Office.

9:20 Mr. Don Allegrucci, Congressional Candidate,  
(2 min.) 5th District, Kansas. (Mr. Frank Moore).  
The Oval Office.

9:25 Drop-By Meeting of Senior Senate and House  
(5 min.) and Former Johnson White House Staffers.  
(Mrs. Anne Wexler) - The Roosevelt Room.

10:30 Mr. Jody Powell - The Oval Office.

11:00 Meeting with the Advisory Committee on Federal  
(20 min.) Pay. (Mr. James McIntyre) - The Cabinet Room.

11:50 Mr. DeJongh Franklin - The Oval Office.  
(3 min.)

11:55 Mr. and Mrs. George LeMaistre. (Mr. Hamilton  
(3 min.) Jordan) - The Oval Office.

12:00 Lunch with Congressman John Murphy - Oval Office.

1:30 Signing of Four Executive Orders on Urban Policy  
(10 min.) in Conjunction with Briefing for Representatives  
of Urban Interest Groups. (Mrs. Anne Wexler).  
Room 450, OEOB.

1:50 Depart South Grounds via Helicopter en route  
Central Intelligence Headquarters.

2:00 Visit Central Intelligence Agency Headquarters.

3:15 Return to the White House.

4:45 Mr. Jesse Hill - The Oval Office.  
(10 min.)

Thursday - August 17, 1978

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8:15 Dr. Zbigniew Brzezinski - The Oval Office.

9:00 Mr. Frank Moore - The Oval Office.

10:30 Mr. Jody Powell - The Oval Office.

11:30 State Constituent Briefing/Louisiana.  
(20 min.) (Mr. Tim Kraft) - The State Dining Room.

12:30 Lunch with Mrs. Rosalynn Carter - The Oval Office.  
(60 min.)

4:00 News Conference. (Mr. Jody Powell).  
(30 min.) Room 450, OEOB.

4:45 Vice President Walter F. Mondale, Admiral  
(30 min.) Stansfield Turner, Dr. Zbigniew Brzezinski  
and Mr. Hamilton Jordan - The Oval Office.

# 5:30 Drop-By Reception for Coordinators.  
(Mr. Tim Kraft) - The Blue Room.

# 6:30 Dinner with Senator and Mrs. Warren G. Magnuson.  
The Residence.

THE PRESIDENT'S SCHEDULE

DRAFT

Friday - August 18, 1978

---

7:30  
(90 min.) Breakfast with Vice President Walter F. Mondale,  
Secretaries Cyrus Vance and Harold Brown,  
Dr. Zbigniew Brzezinski and Mr. Hamilton Jordan.  
The Cabinet Room.

9:00 Dr. Zbigniew Brzezinski - The Oval Office.

9:30 Mr. Frank Moore - The Oval Office.

9:43  
(2 min.) Mr. Bob Samuelson, Congressional Candidate,  
2nd District, South Dakota. (Mr. Frank Moore).  
The Oval Office.

10:30 Mr. Jody Powell - The Oval Office.

11:00 Mr. Charles Schultze - The Oval Office.

11:45  
(15 min.) Meeting with Humphrey-Hawkins Supporters.  
(Mr. Stuart Eizenstat) - The Cabinet Room.

1:30  
(30 min.) Interview with Labor Editors. (Mr. Jody  
Powell) - The Cabinet Room.

2:30  
(15 min.) Meeting with Representatives of the United  
Negro College Fund. (Ms. Bunny Mitchell).  
The Cabinet Room.

3:30 Depart South Lawn via Helicopter en route  
Andrews AFB and Plains, Georgia.

THE WHITE HOUSE  
WASHINGTON

August 17, 1978

STU EIZENSTAT

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling. The signed original has been given to Bob Linder for delivery.

RICK HUTCHESON

cc: Frank Moore (FYI)

RE: Recommended Turndown for  
Emergency Disaster  
Assistance - Michigan

THE WHITE HOUSE  
WASHINGTON  
August 15, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT  
LYNN DAFT

SUBJECT:

Recommended Turndown for Emergency  
Disaster Assistance - Michigan

*Stu - Hiegle  
Called - You or  
Lynn call Coleman  
to double check  
accuracy of this  
report. Tell him  
to call directly if a  
big rain should come*

In the attached memorandum, Secretary Harris recommends that you turn down emergency disaster assistance for the State of Michigan due to a sewer line rupture.

We concur with Secretary Harris' assessment of the situation and recommend your concurrence in the proposed reply to Governor Milliken. We thought it would be helpful to set forth the similarities and differences between the Niagara Falls, New York situation and the situation in the Detroit, Michigan suburbs (attached).





DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
FEDERAL DISASTER ASSISTANCE ADMINISTRATION  
WASHINGTON, D.C. 20410

OFFICE OF THE ADMINISTRATOR

IN REPLY REFER TO:

Honorable William G. Milliken  
Governor of Michigan  
State Capitol  
Lansing, Michigan 48902

Dear Governor Milliken:

This is in further response to your recent request that the President declare an emergency for your State because of the rupture of a sewer in Macomb County.

We have given your request careful review and consideration. As stated in Public Law 93-288, emergency assistance is provided to supplement State and local efforts to save lives and protect property, public health and safety, or to avert or lessen the threat of a disaster. Our assessment of this situation revealed that there are no current health problems resulting from the sewer rupture and there is no evidence that the affected communities have not been able to respond to the immediate emergency needs. Accordingly, I must inform you of our decision not to recommend to the President that he declare a major disaster in this instance.

The intent of Congress in developing emergency assistance in the Disaster Relief Act of 1974, as stated in the Conference Report, was that the President's declaration of an emergency should be for the purpose of making available "...emergency assistance which, because of the pressures of time or because of the unique capabilities of a Federal agency, can be more readily provided by the Federal Government. It is specialized assistance to meet specific needs." Emergency assistance provided by the Federal Government under a Presidential declaration was, therefore, not intended to provide fiscal or budgetary relief in those cases where either State or local governments incur budgetary overruns, unless such overruns pose a threat to life, property, public health and safety, or could hinder the State and local response to the extent that a major disaster could occur. The costs of performing repairs to the sewer do


not appear to have severely limited the ability of either the State or local governments to respond to this situation.

Our assessment also indicates that the transportation of repair materials has not presented a problem. Assistance from the Small Business Administration (SBA) may be made available under the independent authority of that agency, subject to the criteria of the SBA program.

Sincerely,

William H. Wilcox  
Administrator

Concurrence:

A handwritten signature in cursive script, appearing to read "J. Carter", is written over a horizontal line.

Date: \_\_\_\_\_

11:30 AM

THE WHITE HOUSE

WASHINGTON

August 16, 1978

MEETING WITH POLITICAL ACTIVISTS FROM LOUISIANA

Thursday, August 17, 1978

11:30 A.M. (20 minutes)

State Dining Room

From: Tim Kraft TK

I. PURPOSE

To promote among these Louisiana activists a sense of identity with you and your Administration, a sense of a team working together, and a sense of urgency about actively supporting the Administration across the board.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

- A. Background: This is the third in a series of meetings we will hold for political leaders and activists from individual states.
- B. Participants: elected state, city and county officials, labor leaders, party activists and early supporters -- all Democrats. List is attached.
- C. Press Plan: No press

III. TALKING POINTS

A highlight of the accomplishments of your Administration.

A reminiscence of your campaign visits to Louisiana -- your speech to the joint session of the Louisiana legislature was your first official campaign stop.

The themes of:

- they are part of your family
- we, as Democrats, are all working together for the same goals
- you need their help -- actively and aggressively

You should remember that items of interest, policy-wise, will be the gas bill, sugar, and the public works appropriations.

## AGENDA

### WHITE HOUSE MEETING WITH LOUISIANA LEADERS Thursday, August 17, 1978 State Dining Room

9:00 A.M.	Dr. Zbigniew Brzezinski Assistant to the President for National Security Affairs
9:20 A.M.	Anne Wexler Assistant to the President  and  Bert Carp Deputy Assistant to the President for Domestic Policy
10:15 A.M.	Vice President Mondale
10:30 A.M.	Coffee Break
10:50 A.M.	Tim Kraft Assistant to the President
11:00 A.M.	Hamilton Jordan Assistant to the President
11:30 A.M.	President Carter
12:00 Noon	Walk to Blair House where lunch will be serve

## Invitees to the Louisiana State Constituents Briefing

Lieutenant Governor Jimmy Fitzmorris - Democratic candidate for Governor

Billy Guste - Attorney General

Gil Dozier - Commissioner of Agriculture

Jesse Bankston - Democratic Chairman

Victor Bussie - President, AFL-CIO

Fran Bussie

Mike O'Keefe - President of the Senate

Sonny Mouton - State Senator

Mrs. Hale "Lindy" Boggs - Democratic Congresswoman

Gillis Long - Democratic Congressman

John Breaux - Democratic Congressman

Senator Russell Long

Kathy Vick - DNC

John Mamoulides - District Attorney in Jefferson Parish (second largest in the state); DNC

Fred Huenfeld - Cotton farmer in Northern Louisiana; former Wallace chairman; DNC

Mary Lou Winters - Political activist in Northern Louisiana; DNC

Hilda Barras - Aide to Senator Johnston; alternate to National Democratic Convention

Frank Cole - Scientist; very active in campaign; alternate to National Democratic Convention

Rufus Craig - Medical doctor in Alexandria; first Carter supporter in Louisiana

Caroline Willis - Urban planner in New Orleans; very active in Fall campaign

Darwin Fenner - Finance chairman in primary campaign; now chairman for Lindy Boggs

Jim Davis - Alexandria attorney; alternate at Democratic National Convention

Dan Becnel

Myron Erby - 6th C. D. coordinator

A. Z. Young - Black politics coordinator

Henry Politz - 4th C. D. coordinator

Drew Ranier - 7th C. D. coordinator

Tony Guarisco - State Senator; 3rd C. D. coordinator

Alan Herbert - Medical doctor; 5th C. D. coordinator

Doug Allen - President, Jefferson Parish

Moon Landrieu - Former Mayor of New Orleans

Mary Wisham - Co-coordinator, 51.3 Committee; officer of State Democratic

Committee

Myrtle Pickering - Co-coordinator, 51.3 Committee; member of State Democratic Committee  
Ted Jones - Legal Counsel to state Carter campaign; attorney close to several Congressmen  
Bob Hunter - Former administrative assistant to Russell Long  
Bob Downing - 5th C. D. coordinator  
Kay Talamantez - State Headquarters; aide to Garry Smith  
Charles Foti - Sheriff of Orleans Parish; very strong supporter in General Election  
Toni Morrison - Former President of National Young Democrats; state representative  
Sidney Barthelemy - Councilman-at-large in New Orleans  
Jim Donelon - Councilman-at-large in Jefferson Parish  
Harriet Burnett - Ran headquarters in Carter primary; Personal assistant to Mayor Morial  
Lindsay Williams - AFL-CIO President in New Orleans  
Phyllis Landrieu - Former National Democratic Committeewoman  
Ron Faucheux - State representative; former Democratic candidate for Congress; editor, New Orleans magazine

Joe Cannizaro - Business associate of Moon Landrieu  
Joe Delpit - State representative; State Black Steering Committee (Baton Rouge)  
Dick Turnley - Former state representative; State Black Steering Committee (Baton Rouge)  
Alphonse Jackson - State representative; State Black Steering Committee (Shreveport)  
Zelma Wyche - Former Police Chief; State Black Steering Committee  
James Bradford - State Black Steering Committee (Jonesboro)  
Mervin Harmon - State Black Steering Committee (Lafayette)  
Father A. J. McKnight - State Black Steering Committee (Lafayette)  
Jim Wayne - State Black Steering Committee (Thibodaux)  
Dan Borné - Liaison with Governor  
Kevin Couhig - Businessman; Baton Rouge coordinator in Fall campaign  
Dan Usner - Organized service station operators  
John Camp - Lake Charles  
John Mmahat - New Orleans  
Joe Rault - New Orleans  
Joseph N. Traigle - President, American Bank  
Don Haney - President, Baton Rouge Bank

Mary Evelyn Parker - State Treasurer  
Euda Delcambre - President, Sheriffs' Association  
K. Hart Bourque - President, Clerks of Court's Association  
James Prescott - Executive Secretary, School Boards' Association  
Cecil Picard - State representative  
James Graugnard - President, Louisiana Farm Bureau Federation  
Charles W. Pasqua - Executive Director, Municipal Association  
Lawrence Narcisse - President, Louisiana Association of Educators  
James T. Hays - Executive Secretary, Policy Jury Association  
Diana Bajoie - State representative  
Virginia Shehee - State Senator  
C. Wally Beam, III - President, Beam Supply Company  
Joseph Waitz - Attorney  
Charles Milam - President, REAMCO  
John Cummings - Attorney  
Dr. Martin Woodin - President, Louisiana State University  
Sheldon Beychok - Attorney  
Earl Broom - President, St. Tammany Parish Police Jury  
Richard Knight - Attorney  
Sidney Flynn - President, Flynn Building Specialties  
Larry Bankston - Attorney  
Roman A. Guidry - President, R. A. Guidry Hardware Company  
Alvin Singletary - Attorney; President, Slidell City Council  
G. O. McDuffie - President, Louisiana Baptist Association  
Kate Ward - Invited guest of Lindy Boggs  
Ann Davenport - Executive Secretary to Governor Edwin Edwards  
Lewis "Garry" Smith - Carter campaign director for Louisiana  
Anthony Bruscato  
William B. Lawton - Chairman of the Board, Calcasieu Marine Bank  
Ben Jeffers  
Alan Yuspeh - Administrative Assistant and representative of Senator  
Bennett Johnston  
Carson Killen - Administrative Assistant and representative of Congressman  
Gillis Long  
Lou Burnett - Administrative Assistant and representative of Congressman  
Huckaby  
Valsin Marmillion - Administrative Assistant and representative of  
Congressman Breaux  
David Batt - Administrative Assistant and representative of Congressman  
Waggoner or  
Ethel Gibson - Aide and representative of Congressman Waggoner



9:15 AM

THE WHITE HOUSE

WASHINGTON

August 16, 1978

Meeting with Senators Regarding Veto of Defense  
Authorization Bill

Thursday, August 17, 1978

9:15 a.m. (45 minutes)

Cabinet Room

From: Frank Moore

*by Joe Francis*

I. PURPOSE

To meet with Senators regarding veto of Defense authorization bill.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

Background: Same as for meeting with House Members.

Participants: Attached

Press Plan: White House Photographer only

III. TALKING POINTS

Same as for meeting with House Members.

The following Senators are expected to attend the 9:15 meeting. The last CVN related vote occurred more than two years ago. DOD's Congressional Liaison staff has provided us with the following assessment of likely positions on a veto override attempt.

Senator Sam Nunn	Will vote to override
Senator Edmund S. Muskie	Will support Administration
Senator Henry M. Jackson	Will vote to override
Senator Thomas J. McIntyre	Will vote to override
Senator Warren G. Magnuson	Will support Administration if it looks like we're winning
Senator John C. Stennis	Will vote to override
Senator Dale L. Bumpers	Will be strong supporter of Administration
Senator John C. Culver	Leaning our way, but apparently feels we're making a political mistake
Senator Robert B. Morgan	Could be persuaded -- would be a valuable supporter
Senator Alan D. Cranston	Leaning our direction

8:30 AM

THE WHITE HOUSE

WASHINGTON

August 16, 1978

Meeting with House Members Regarding Veto of Defense  
Authorization Bill

Thursday, August 17, 1978

8:30 a.m. (45 minutes)

Cabinet Room

From: Frank Moore *by Les Francis*

I. PURPOSE

To meet with House Members regarding veto of Defense authorization bill.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

Background: A meeting with several key House Members has been arranged in anticipation of the prospective Presidential veto of the 1979 Defense Department authorization bill, H.R. 10929. The House Members present (see Tab A) will be leaders of the House; noted experts in the area of defense matters; and persons who enjoy particular respect and/or credibility within the House. It is important that those in attendance leave the meeting with a clear understanding of the reasons for your veto and that you extract from them a commitment to help sustain the veto and to send back to you an authorization bill that meets your standards. The performance of those in attendance on previous votes on the carrier issue is noted on the list of attendees.

Participants: See Tab A

Press Plan: White House Photographer Only

III. TALKING POINTS

1. I have decided to veto the Defense authorization bill because as Commander-in-Chief I cannot sign a bill which I believe weakens the defense posture of the United States. The Congress has given me no choice but to return the legislation without my approval.

2. I believe that this bill gives us less defense for our dollars than the budget I proposed. This bill makes significant reductions from my budget in such critical areas as Operations and Procurement -- reductions which directly affect the immediate combat readiness of our forces; and Research and Development -- reductions which affect our future ability to remain strong. This bill includes substantial (and in my judgment low priority) additions for such items as an unneeded nuclear carrier. I believe this bill does not represent a sound and well-balanced defense program which meets our present and future combat needs while recognizing the reality of resource limitations. I think we can do better.
3. This has been a very, very difficult decision for me and it is made only after very careful analysis and discussion with the Vice President, Secretary Brown, Dr. Brzezinski, Jim McIntyre and others in the Administration who are responsible for overseeing both our national security needs and our budget.
4. I know this decision will be very controversial among the public and on the Hill and at this point there is no guarantee that this veto will be sustained. We are in for a very tough fight; one which will likely take on highly partisan tones and one in which I need your full support and cooperation.
5. I would appreciate positive press remarks timed with the announcement of the veto.

A more detailed set of talking points prepared by OMB is attached (see Tab B).

TAB A

The following Representatives are expected to attend the 8:30 meeting. To the right of each name is a record of their support of the Administration on previous nuclear carrier related votes:

	<u>Supported Administration</u>
Rep. Thomas P. O'Neill ✓	Has Not Voted
Rep. George H. Mahon ✓	3 of 4 right
Rep. Melvin Price ✓	2 of 4 "
Rep. Daniel Rostenkowski ✓	2 of 4 "
Rep. Lucien N. Nedzi ✓	4 of 4 "
Rep. Les Aspin ✓	4 of 4 "
Rep. Edward P. Boland ✓	3 of 4 "
Rep. Robert N. Giaimo ✓	4 of 4 "
Rep. Bill D. Burlison (Mo) ✓	4 of 4 "
Rep. Lee H. Hamilton ✓	3 of 4 "
Rep. John Brademas ✓	4 of 4 "
Rep. Robert Carr ✓	3 of 4 "
Rep. Thomas S. Foley ✓	1 of 4 "

TAB B

## TALKING POINTS: DEFENSE AUTHORIZATION VETO

The President has vetoed the Defense Authorization Bill because of his concern about the negative impact this bill would have on the total Defense budget and on our national defense priorities.

The bill, as approved by Congress, would revise detrimentally our national defense priorities. It would provide unneeded and costly weapons systems (primarily a nuclear powered aircraft carrier at an initial cost of \$2 billion); and offsetting these with reductions *lead* which would lower our ground and air force capabilities oriented toward Europe and harm the readiness of our forces. Further, the bill adversely impacts our future technology efforts by sharp reductions in research and development. While the President continues to support a defense budget of \$126 billion, he objects to the Congress' specific reductions:

1. Operations. Our initial budget request included a 3% (\$1.0 billion) real increase in operations and maintenance funding, which is being reduced over \$500 million. These cuts would adversely affect our readiness and fighting capabilities, and should be restored. Examples are:

\$57 million for reenlistment bonuses, a key to retaining skilled people. Without such people, additional weapons systems can do us no good.

\$155 million in an arbitrary reduction in supply and stock fund activities. These provide for items consumed in daily operations, without which it would be impossible to conduct any defense operations.

\$15 million to terminate a strategic early warning system, which provides important information as to the size and intended targets of a Soviet strategic missile attack.

\$37 million in airlift transportation.

\$48 million in arbitrary reduction in data processing.

2. Research and Development. Our initial budget request of \$12.5 billion included 3% real growth (\$.4 billion). The Congress deleted over \$600 million in Administration programs and added back \$400 million in items which are not required or are of extremely low priority. The effect would be a net reduction in the real level of R&D, thus hurting our longer term defense capabilities. Some of the more significant reductions which should be restored include:



Defense technology base (-\$28 million) which eliminates much of the real growth in this vital area.

Assault Breaker (-\$10 million) which will be required for Army/Air Force interdiction of key NATO targets.

Ground Sensors and mines (-\$13 million). These new systems being developed are needed in order to overcome operational deficiencies.

ELF Communications (-\$40 million). The Congress would delete all funds for this Navy strategic communications program.

VSTOL Aircraft Development (-\$32 million). The Congress would terminate this long-range program.

Cruise Missile Carrier (-\$20 million). The Congress would drastically slow down the development of this program required to enhance our long-term strategic capabilities.

### 3. Procurement.

- . Army procurement is reduced by \$800 million, with a resulting serious impact on NATO capabilities, especially those for NATO. Some of the major items of reduction include:

Chinook helicopters -\$78 million

Ammunition -\$353 million

Improved Artillery Munition (Copperhead) -\$18 million

Electronic time fuze for Scatterable Mines -\$32 million

Communications and electronics equipment -\$69 million

- . Air Force procurement is reduced by \$200 million, also resulting in serious NATO impact. Some of the major reductions include:

Civil Reserve Air Fleet -\$68 million

Electronic Countermeasures -\$62 million

New Glide bomb -\$37 million

## Background

Two points should be noted for background. In our effort to keep the message clear and simple, these are not to be stressed initially, but it may be necessary to respond to questions relating to them.

1. Add-ons to the President's authorization request beyond the carrier include over \$600 million worth of additional aircraft, about \$400 million for a nuclear powered cruiser, continued development of an unneeded Advanced Medium STOL Transport aircraft, etc. We are opposed to all of these because they are of lower priority than items deleted from the President's request.

For purposes of our public stance, however, we do not want at this time to complicate the issue by placing too much emphasis on this longer list of objectionable items. In our presentations, we should stress the need to remove the carrier, and if asked, should note that these other add-ons are of low priority and less desirable than those deleted items we want reinstated.

2. Of our \$126 billion Defense total, less than half is covered by this authorization bill, as shown below.

	(\$ billions)	
	<u>Admin Req.</u>	<u>Cong. Action</u>
Concurrent Resolution	126.0	125.0* ←
Defense Authorization	35.5	37.0
Other	90.5	88.0

\*Both the House and Senate Budget Committees have come out at \$125B.

Thus, as the authorization total is increased by Congress, less remains available (within the Congressionally established concurrent resolution total) for such vital areas as operations and maintenance and military pay, which are not included within the authorization total. In order to stay within the prescribed defense totals and constrained by the authorization bill add-ons, the Congress has deleted significant amounts from the non-authorized portion of defense appropriations -- primarily associated with near-term capabilities and readiness. We are also opposed to these reductions, some of which are detailed above under "operations."

The following list of add-ons to the President's budget is derived from Congressional action thus far in the appropriation review and is not limited to authorization items.

# Congressional Add-ons to the Defense Budget

## ADD-ONS

## COMMENT

### Procurement

Nuclear Aircraft Carrier  
(+\$2 billion)

This ship is not needed at this time. Greater capability can be provided at lower cost with smaller, conventionally powered aircraft carriers which could be funded in later years.

Additional Aircraft  
(+\$745 million)

None of these is needed to meet known current requirements.

Procurement of Infantry  
Fighting Vehicle (IFV/  
CFV) for the Army  
(+\$39 million)

Individual vehicle costs are excessive. The President explicitly disapproved this item.

### Operations

Currency revaluation  
revolving fund  
(+\$500 million)

Not needed. This can be provided by reprogramming if the need should arise.

### R&D

Surface Effects Ship con-  
tinued Development  
(+\$93 million)

Very expensive and unnecessary continued development of a system we do not plan to buy.

Advanced Medium STOL  
Transport Aircraft (AMST)  
(+\$14 million)

Aircraft not requested or needed. Foot in the door for a \$10 billion program.

AV8B Advanced Harrier  
(+\$87 million)

Accelerates development of this limited value system.

THE WHITE HOUSE  
WASHINGTON  
August 17, 1978

AMBASSADOR ROBERT STRAUSS

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION  
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
✓	STRAUSS
	VANCE

THE WHITE HOUSE  
WASHINGTON

8/16/78

Mr. President:

Eizenstat, Brzezinski,  
Schultze and McIntyre  
concur with Strauss.

Congressional Liaison has  
no comment.

Rick

OFFICE OF THE SPECIAL REPRESENTATIVE  
FOR TRADE NEGOTIATIONS

EXECUTIVE OFFICE OF THE PRESIDENT

WASHINGTON

20506

11 AUG 1978

MEMORANDUM FOR THE PRESIDENT

FROM : Ambassador Robert S. Strauss *R.S.S.*

SUBJECT : Recommended Presidential Action on the  
Exclusion of Certain Patent Infringing Articles  
Under Section 337 of the Tariff Act of 1930,  
as Amended

Section 337 of the Tariff Act of 1930, as amended, authorizes the U.S. International Trade Commission to order remedies for unfair practices in import trade. Under that authority the Commission has ordered the exclusion of certain patent infringing molded golf balls, which are made of solid synthetic rubber, from importation into the United States. Section 337 is normally used in cases such as this.

Section 337 contains Presidential authority to disapprove the ordered remedy for policy reasons by informing the Commission of such disapproval within 60 days of receipt of the Commission's determination. Representatives of the agencies comprising the Trade Policy Committee (the Special Trade Representative, the Attorney General, and the Secretaries of Agriculture, Commerce, Defense, Interior, Labor, State, and Treasury) unanimously recommend that the President exercise Option 1 below and take no action on this case. This will allow the exclusion order to become final on September 4, 1978. There is no provision for Congressional override of the President's action in Section 337 cases. The Presidential options are:

OPTION 1 (the recommended option)

Decision

Approval (automatic)

Presidential Action Required

None, the exclusion order automatically becomes final after the 60 day period (Sept. 4, 1978)

OPTION 2

Decision

Approval (specific)

Presidential Action Required

President informs U.S.  
International Trade Commission  
of approval of the exclusion  
order prior to the close of  
the 60 day period

OPTION 3

Decision

Disapproval

Presidential Action Required

President informs U.S.  
International Trade Commission  
of disapproval of the exclusion  
order

The recommendation on behalf of the Trade Policy Committee is without opposition. Section 337 is an established remedy against the importation into the United States of patent infringing foreign articles. There are no known policy reasons favoring disapproval of the exclusion order.

Decision

\_\_\_\_\_ ✓

Option 1

\_\_\_\_\_ ✓

\_\_\_\_\_

Option 2

\_\_\_\_\_

Option 3



THE WHITE HOUSE  
WASHINGTON

8/17/78

rick--

rex brought in attached during  
en mass/pre news conference  
visit by jody, rafshoon, etc....

don't know if you want to return  
to him for message drafting....or  
to correspondence section/~~xxxxxx~~  
for telegram. (

--susan

8/17/78

Rick -

Attached are the file copies  
~~sent~~ of the telegram sent  
to the Ballonists.

Rex

111A232

U I BYLZYVBYL A631

APM-BALLOONISTS; 9TH-LD; A224; 90

URGENT

7EDS: CORRECTS TIME OF TOUCHDOWN IN 2ND GRAF TO 1:50 P.M EDT.

7BY MARCUS ELIASON

7ASSOCIATED PRESS WRITER

MISEREY, FRANCE (AP) - THREE AMERICAN ADVENTURERS; THE FIRST  
BALLOONISTS TO CONQUER THE ATLANTIC; SET THEIR GIANT SILVER CRAFT DOWN  
THIS EVENING IN A WHEATFIELD NEAR THIS TINY FRENCH HAMLET; 60 MILES  
WEST OF PARIS; COMPLETING A HISTORIC JOURNEY THAT HAD DEFEATED OTHER  
MEN FOR MORE THAN A CENTURY.

THE TRIO - LARRY NEWMAN; 31; BEN ABRUZZO; 48; AND MAXIE ANDERSON;  
44; ALL OF ALBUQUERQUE, N.M. - PUT THEIR BALLOON DOUBLE EAGLE II DOWN  
AT 7:50 P.M. LOCAL TIME; 1:50 P.M. EDT; ON A BEAUTIFUL; CLOUDLESS  
EVENING; JUST BEFORE DUSK.

7THE BALLOONISTS; 3RD GRAF

AP-NY-08-17 1513EDT

Send msg-  
JC.

144A096

LD H CZCQYVYX A561

SEN WITH BALLOONISTS-RESOLUTION:060

WASHINGTON (AP) - THE SENATE TODAY PASSED A RESOLUTION PAYING TRIBUTE TO THE THREE AMERICANS WHO WERE THE FIRST TO SUCCESSFULLY CROSS THE ATLANTIC IN A BALLOON.

THE RESOLUTION, WHICH WAS ADOPTED BY UNANIMOUS VOICE VOTE, WAS OFFERED BY SEN. PETE DOMENICI, R-N.J. THE BALLOONISTS ARE FROM HIS STATE.

AP-NY-09-17 1142EDT

A551

APR-BALLOONISTS-SKETCHES-200

REDS: THIS SUBS FOR THE CONGO PROFILES STORY OF 600 WORDS PROMISED EARLIER. ADDITIONAL MATERIAL IS NOT AVAILABLE AT THIS TIME.

BY THE ASSOCIATED PRESS

HERE IS A BRIEF SKETCH OF THE THREE MEN WHO BECAME THE FIRST BALLOONISTS TO CROSS THE ATLANTIC:

- ① - BEN ABRUZZO: 46, A NATIVE OF ROCKFORD, ILL., MOVED TO ALBUQUERQUE TO WORK AT THE SANDIA NUCLEAR WEAPONS LABORATORIES. HE LATER WENT INTO BUSINESS AS A DEVELOPER, BUILDING HOUSING, A TRAMWAY AND RUNNING A SKI RESORT AT SANDIA PEAK, ABOUT 10 MILES FROM ALBUQUERQUE. THE FATHER OF FOUR, HE IS A VETERAN PILOT AND BALLOONIST.
- ② - RAY ANDERSON: 44, IS PRESIDENT OF A URANIUM AND COPPER MINING COMPANY, A NATIVE OF SAYRE, OKLA., HE IS AN INDUSTRIAL ENGINEER AND A PILOT WITH 29 YEARS OF EXPERIENCE. ALSO THE FATHER OF FOUR, ANDERSON IS AN EXPERT SKIER WHO MET ABRUZZO FIVE YEARS AGO AT THE TIME BOTH BECAME INTERESTED IN BALLOONING.
- ③ - LARRY NENMAN: 31, IS PRESIDENT OF ONE OF THE LARGEST HANG GLIDER COMPANIES. A NEWCOMER TO BALLOONING, NENMAN PLANNED TO ARRIVE ON THE EUROPEAN CONTINENT VIA A HANG GLIDER THAT HAD BEEN ATTACHED TO THE GONDOLA. THE GLIDER WAS JETISONED OVER THE ATLANTIC DUE TO BALLAST PROBLEMS. A FORMER AIRLINE PILOT, NENMAN HAS BEEN MARRIED FIVE MONTHS.

AP-NY-78-17 1108EDT

**X**

**AUGUST 17, 1978**

**BEN ABRUZZO  
MAX ANDERSON  
LARRY NEWMAN**

**ON BEHALF OF ALL THE AMERICAN PEOPLE, I SALUTE YOUR TRIUMPHANT ADVENTURE. YOUR DARING VOYAGE THROUGH THE SILENT SKY IS A WELCOME REMINDER THAT INDIVIDUAL ACTS OF BRAVERY AND SKILL STILL CAPTURE OUR COLLECTIVE IMAGINATION.**

**I WISH TO INVITE YOU TO VISIT WITH ME IN THE WHITE HOUSE ONCE YOU'VE RETURNED TO THIS COUNTRY.**

**WE ALL CELEBRATE YOUR MAGNIFICENT ACHIEVEMENT AND WELCOME YOU WARMLY BACK TO THE EARTH.**

**JIMMY CARTER**

**JC:JLP:RG:cs**

**Wire sent thru State Department to US Embassy, Paris for delivery**

X

AUGUST 17, 1978

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MAX ANDERSON  
LARRY NEWMAN

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Wire sent thru State Department to US Embassy, Paris for delivery

MR. PRESIDENT:

GRI~~EE~~IN WILL BE AT THE SAME LEVEL, IV AND AT THE SAME  
SALARY, \$50 THOUSAND AS IN HIS PREVIOUS JOB. ALSO,  
CONTRARY TO ~~REE~~ SEVERAL REPORTS HIS NEW JOB IS NOT ON THE  
WHITE HOUSE STAFF.

JODY

8/17/78

Mr. Paul - Mike says it is  
essential that you follow guidance  
Chas. J. G.

DOLLAR --

(Appropriate if the Fed makes the announcement)

Q: Do you support the recent Federal Reserve action to increase the re-discount rate?

A: I fully understand their reasons for this action. It is essential that we get inflation under control, if we are going to have a strong dollar and sustainable economic growth.

-----

Q: What are you going to do about the decline of the dollar?

A: As I stated yesterday, the recent sharp decline in the dollar concerns me deeply because it can threaten our efforts to reduce inflation and achieve orderly economic growth.

I have met with Secretary Blumenthal and Chairman Miller and directed them to consider and report to me on actions that might be appropriate to deal with this situation.

They are presently considering several possibilities, but I would prefer not to comment upon them at this time -- until I have had a chance to thoroughly consider and discuss with them their recommendations.



I must say quite frankly that in addition to steps which I may take unilaterally -- the Congress also has a clear responsibility.

The decline of the dollar should make it clear to every American why the Congress must act responsibly on energy and inflation this year.

-----  
Q: Your statement of August 16 spoke of "signs" of real improvement in the U. S. foreign trade position. What are these signs?

A: Our trade deficit has been declining for several months. Our imports have stabilized and exports have increased vigorously.

We expect further improvement, as economic growth rates here and abroad converge, and as the exchange rate changes of this past year have their full impact on our competitive position. Our success will also depend on controlling inflation and curbing our dependence on imported oil -- and I am determined that we will succeed.

-----

Q: When do you expect to hear from Secretary Blumenthal and Chairman Miller?

A: I know they are giving these matters their urgent attention. We are considering proposals, in a number of areas, and would expect a series of continuing actions to be announced as decisions are reached over the next few weeks.

August 17, 1978

FRG CONSULATE TERRORIST INCIDENT

Q: Terrorists are reported occupying the FRG Consulate in Chicago. Could you comment on this?

A: We do have a report that terrorists have entered the German Consulate in Chicago. I have instructed the Justice Department and the FBI to take the lead for the Federal Government in handling this situation. The State Department has informed the German Government of the incident. At present it would be inappropriate to say more on this question.

BUNNY MITCHELL

Q: Why was Bunny Mitchell forced to resign? Why was her resignation announced without prior notification to her?

A: As a part of our recent effort to widen the breadth of the White House staff, Louis Martin will be joining the staff in September as a Special Assistant to me. He has had wide experience in government publishing, business and black community organizations. As you know, his appointment has been well received by a number of black leaders, and I look forward to having him work with us.

Bunny Mitchell has been a valuable member of the staff for the past 18 months, and I want her to continue to serve in my Administration. She is intelligent, articulate and dedicated, and I hope she will continue to serve. .

## PARDONS

Q: Why did you decline to pardon the four Watergate burglars when President Nixon was granted a pardon?

A: The petitions for pardon of Messrs. Barker, Sturgis, Martinez and Gonzalez went through the normal review procedure between the White House and Department of Justice. The requests were among 64 pardon requests and 67 commutation requests denied recently. Twenty-two pardon requests were granted. There has been only one commutation in the Watergate affair, and that was for Mr. Liddy to bring his sentence more in line with those of the other Watergate figures. To date there have been no pardons of participants in the Watergate affair other than that granted to former President Nixon by President Ford.

JAMES EARL RAY

Q: In light of James Earl Ray's sworn statement that he did not kill Dr. King, will you instruct the Justice Department to review the matter?

A: The Justice Department has previously investigated the Martin Luther King Assassination very thoroughly. Judge Bell has said that further action by the Justice Department must await completion of the Howe Assassinations Committee's inquiry. It would not be appropriate to take any action until that inquiry has been completed and a report of its findings is made public.

### MEMPHIS STRIKE

Q: Why has your Administration not taken any steps to end the municipal strike in Memphis?

A: Our general desire in labor-management situations is allow the collective-bargaining process to work. The city and the municipal fire and police unions have been meeting continuously and are getting closer to a full resolution of their differences.

We are, of course, concerned that the resolution occur as promptly as possible. For that reason, the Federal Mediation and Conciliation Service has been working closely with both sides for the last several days. The Mediation Service will continue to provide this type of assistance is an effort to bring this dispute to an end satisfactorily and rapid.

Briefing Material on Interest Rates

1. Fed policy and the economy

.. We have been concerned that large interest rate increases over the course of the next year could slow economic growth too much and conceivably push us into a recession. Miller is aware of the same problem, and is trying to steer a careful course of monetary policy.

○ I do not believe we should at this juncture jawbone the Fed in public or criticize their performance.

A. Given the situation with the dollar, any perception

○ that you were encouraging the Fed to hold down interest rates and expand the money supply faster would almost certainly hurt the dollar abroad.

B. Many people believe that the Fed has the only anti-inflation game in town. In fact, they are wrong -- or at best have only a small part of the truth. But any strong criticism of the Fed by you will be interpreted as an attempt, not merely to urge prudence and caution on the Fed, but to get them to reverse course. Such a perception would hurt our own anti-inflation effort.

C. The new "T-bill certificates" are helping to insulate deposit inflows at the thrift



institutions from some of the effects of rising market interest rates. The very large impacts on mortgage credit availability and housing, which characterized earlier periods of tighter money, are not so likely to happen.

2. Interest rates and prices

Mortgage interest rate increases do enter directly into the CPI. Increases in short-term market interest rates, however, do not directly affect the CPI. To the extent they impose higher costs on business firms, they may have indirect effects on prices, but these effects are small, since interest costs are a small proportion of total costs.

The CPI has a category labeled "mortgage financing costs" which measures the monthly cost of financing a home for new home buyers. But this category includes more than mortgage interest rates. Mortgage financing costs can rise for two reasons: (1) an increase in home prices, which raises the monthly financing cost even at unchanged mortgage interest rates; and (2) an increase in mortgage interest rates, which raises the monthly financing cost even at unchanged home prices. When both home prices and mortgage interest rates are rising, there is a compound effect on mortgage financing costs.

During the first half of 1978, total mortgage financing costs in the CPI rose at an annual rate of 18 percent, and contributed about 1 percentage point to the annual rate of increase of the overall CPI. Rising home prices, however, accounted for three-fifths of the increase in total mortgage interest costs; mortgage interest rates accounted for the other two-fifths.

3. Imminent Fed moves

Today or tomorrow the Fed will raise the discount rate by 1/2 percent to address the dollar problem. The discount rate has been out of line, below market interest rates. So this move is largely symbolic and in itself signifies no major move to tighter money.

The more important federal funds rate -- which is the centerpiece of Fed policy -- has also been moved up, but only by a very small notch, from 7-7/8 to 8 percent. This does represent a real, but minor, further tightening of policy.

Given the dollar situation, and the apparent potency of the new T-bill certificates in easing the impact on thrift institutions, I don't think we should be concerned about these recent Fed actions.

9:13 AM

THE WHITE HOUSE

WASHINGTON

August 16, 1978

MEETING WITH CONGRESSIONAL CANDIDATE, JACK BASS (2-S.C.)

Thursday, July 17, 1978

9:13 a.m. (2 minutes)

The Oval Office

FROM: FRANK MOORE *F.M./BR*

I) PURPOSE

A photo with the President

II) BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: Jack Bass is the Democratic candidate for Congress in the 2nd District of South Carolina. He will face Republican incumbent, Floyd Spence in the general election. Bass, who won his June 13 primary with 58% of the vote, is a journalist. He was a Neiman Fellow at Harvard and co-author of The Orangeburg Massacre. He wants to present his most recent book to you, The Transformation of Southern Politics which he published in 1976.

The Second District is in the middle of the state and contains the state capital, Columbia. This district has traditionally been Republican but , since 1974, has been undergoing a transformation. It that year, Matthew Perry, a black lawyer received 43% of the vote against Spence. Two years later a Democrat received 42% of the vote. ~~Spence~~ <sup>Bass</sup> faces a difficult uphill battle against the 8 year incumbent.

B. Participants: The President and Jack Bass

C. Press Plan: The White House Photographer

III) TALKING POINTS

A. Usual courtesies